



PUBLIC PROCUREMENT OVERSIGHT AUTHORITY

*TRANSFORMING
PROCUREMENT*

STRATEGIC PLAN

2010-2014

JUNE 2010

TABLE OF CONTENTS

LIST OF TABLES	ii
LIST OF FIGURES	ii
ABBREVIATIONS AND ACRONYMS	iii
FOREWORD	Error! Bookmark not defined.
PREFACE	viii
EXECUTIVE SUMMARY	ix
CHAPTER ONE: INTRODUCTION	1
1.1 BACKGROUND OF PUBLIC PROCUREMENT OVERSIGHT AUTHORITY (PPOA)	1
1.2 KENYA DEVELOPMENT CHALLENGES	2
1.3 THE KENYA VISION 2030	2
1.4 THE ROLE OF PPOA IN THE ACHIEVEMENT OF VISION 2030	4
1.5 RATIONALE FOR STRATEGIC PLANNING	4
1.6 PLANNING ASSUMPTIONS	5
1.7 METHODOLOGY OF DEVELOPING THE PLAN	5
1.8 ORGANIZATION OF THE PLAN	6
CHAPTER TWO: INSTITUTIONAL REVIEW	7
2.1 MANDATE	7
2.2 FUNCTIONS	7
2.4 MISSION	8
2.5 CORE VALUES	8
2.6 ORGANIZATIONAL STRUCTURE	9
CHAPTER THREE: SITUATIONAL ANALYSIS	11
3.1 EVALUATION OF PAST PERFORMANCE	11
3.2 SWOT ANALYSIS OF PPOA	13
3.4 STAKEHOLDER ANALYSIS	15
CHAPTER FOUR: STRATEGIC ANALYSIS	17
4.1 STRATEGIC THEMES	17
4.2 STRATEGIC OBJECTIVES	19
4.3 STRATEGIES	20
CHAPTER FIVE: IMPLEMENTATION MATRIX	23
CHAPTER SIX: INSTITUTIONAL STRUCTURE	39
6.1 BOARDS	39
6.2 OFFICE OF THE DIRECTOR-GENERAL	39
6.3 DIRECTORATES	40
6.4 ORGANOGRAM	42
CHAPTER SEVEN: RESOURCE MOBILIZATION	44
7.1 FINANCIAL RESOURCE REQUIREMENT	44
7.2 STRATEGIES FOR RESOURCE MOBILIZATION	45
CHAPTER EIGHT: MONITORING AND EVALUATION	46
8.1 OBJECTIVES OF MONITORING AND EVALUATION	46
8.2 MONITORING AND EVALUATION FRAMEWORK	46
8.3 PROJECTED KEY PERFORMANCE INDICATORS	47

LIST OF TABLES

Table 1:	Stakeholder analysis	13
Table 2:	Strategic themes, objectives and strategies	19
Table 3:	Key performance indicators	45

LIST OF FIGURES

Figure 1:	Current organizational structure	8
Figure 2:	New organizational structure	42

ABBREVIATIONS AND ACRONYMS

AKI	-	Association of Kenya Insurers
ARB	-	Administrative Review Board
BPR	-	Business Process Reengineering
CBL	-	Capacity Building Levy
DG	-	Director-General
DGIPE	-	Department of Government Investment and Public Enterprises
DPM	-	Directorate of Personnel Management
EMU	-	Efficient Monitoring Unit
FKE	-	Federation of Kenya Employers
GM	-	General Manager
HOD	-	Head of Department
HR	-	Human Resources
ICT	-	Information Communication Technology
IPPMT	-	Internal Procurement Performance Monitoring Tool
IRA	-	Insurance Regulatory Authority
IT	-	Information Technology
KACC	-	Kenya Anti Corruption Commission
KAM	-	Kenya Association of Manufacturers
KEBS	-	Kenya Bureau of Standards
KIPPRA	-	Kenya Institute of Public Policy Research and Analysis
KISM	-	Kenya Institute of Supplies Management
KENAO	-	Kenya National Audit Office
KPIs	-	Key Performance Indicators
LAN	-	Local Area Network
M&E	-	Monitoring and Evaluation
MOU	-	Memorandum Of Understanding
MTP	-	Medium Term Plan
NEMA	-	National Environment Management Authority

OECD	-	Organisation for Economic Co-operation and Development
OPB	-	Operational Budget
PA	-	Procuring Agent
PAC	-	Parliamentary Accounts Committee
PE	-	Procuring Entity
PPARB	-	Public Procurement Administrative Review Board
PPCRAB	-	Public Procurement Complaints, Review and Appeals Board
PPD	-	Public Procurement Directorate
PPOA	-	Public Procurement Oversight Authority
PPOAB	-	Public Procurement Oversight Advisory Board
SME	-	Small and Micro Enterprises
SWOT	-	Strengths, Weaknesses, Opportunities and Threats
TOR	-	Terms of Reference

PREFACE

The Board and the management of PPOA took a significant step of planning for the Authority for a period of five years through the Strategic Plan covering the period 2010 – 2014 aimed at propelling the PPOA to a high performance path in achieving its mandate with specific objectives of creating an alignment of the Authority's operations with the overall Government Agenda as portrayed in the Kenya Vision 2030 and the MTP (2008-2012).

The plan is an outcome of consultations with various stakeholders and has identified opportunities in advancing the quality of public procurement and the great role this could play in the Country's development. Chief among them the enhancement of mobilization and utilization of Government financial resources as well as ensuring compliance with the Procurement and Disposal Act, 2005; Regulations, 2006 and PPOA's guidelines. The strategic plan is therefore a shared statement among the various stakeholders of the way forward and the goals to be achieved in the planning period. It is a document that is understood and owned by all internal stakeholders. The achievement of the goals set in this Strategic Plan is the responsibility of all of us. All efforts and resources shall be focused on realizing these achievements.

We look forward, with confidence, to the realization of all the milestones we have set for ourselves in this Strategic Plan.

Ms. Mariamu El-Maawy

Chairperson, Advisory Board

FOREWORD

The Public Procurement Oversight Authority (PPOA) is established under an Act of Parliament, the Public Procurement and Disposal Act, 2005. In addition, the Act established the Public Procurement Oversight Advisory Board and the Public Procurement Administrative Review Board. The mandate of PPOA is to ensure that procurement procedures and regulations are complied with as established under the Public Procurement and Disposal Act, 2005 and Regulations, 2006.

To achieve its mandate, the Board and the management identified the need of aligning the Authority's strategic plan with the overall Government Agenda as documented in the Kenya Vision 2030 and the MTP (2008-2012). A key enabler in the achievement of the Government aspirations is the utilisation of an efficient and effective public procurement system.

In preparing this strategic plan, the Authority took into account the dynamic operating environment and the challenges it poses to the procurement systems and stakeholders. This strategic plan documents strategies that will enable the Authority to respond adequately to these changes and challenges.

Successful implementation of the strategic plan will require a combined effort of the various stakeholders. However, the primary responsibility of implementing this plan lies with the board, management and employees of PPOA.

Finally, I wish to thank the Board of Directors, management, the staff and VAS consultants for their patience, commitment and dedication to ensure timely preparation of this plan.

Maurice Juma

Interim Director General

PREFACE

Director General

EXECUTIVE SUMMARY

The Public Procurement Oversight Authority (PPOA) is established under an Act of Parliament, the Public Procurement and Disposal Act, 2005. Among other things, the Act established a semi-autonomous oversight body, the Public Procurement Oversight Authority (PPOA), Public Procurement Oversight Advisory Board and the Public Procurement Administrative Review Board. The Authority is among other responsibilities charged with ensuring that all procurement entities observe the provisions of the law.

This strategic plan provides a roadmap for addressing challenges facing the public procurement system and PPOA as an institution. The strategic themes identified for the planning period are: compliance; capacity building; regulatory framework; institutional capacity and corporate image.

For each identified strategic issues, appropriate objectives have been stated. The strategic objectives are to:

- 1) To ensure compliance with the Public Procurement and Disposal Act, 2005; Regulations, 2006; and PPOA guidelines;
- 2) To increase the number of annual reviews from 15 to 63 by 2014;
- 3) To increase the number of annual assessments from 32 to 97 by 2014;
- 4) To increase the numbers of PE implementing the internal procurement performance monitoring tool (IPPMT) from 20 to 100 by 2014;
- 5) To build capacity of persons and institutions involved in public procurement;
- 6) To strengthen the policy, legal and regulatory framework for public procurement and disposal;
- 7) To enhance strategic positioning of the procurement function.
- 8) To attract, develop and retain qualified and skilled human resources;
- 9) To strengthen performance management in PPOA;
- 10) To ensure good corporate governance in PPOA;
- 11) To enhance efficiency and effectiveness in service delivery;

- 12) To enhance mobilization and utilization of resources; and
- 13) To improve corporate image of PPOA.

Appropriate strategies and activities have also been identified for each objective. An implementation plan which details for each objective, the strategies, activities, implementing actors, timelines, resources, expected output and the indicators, has been provided. In addition, a resource mobilization mechanism is presented in chapter seven. During the planning period, the PPOA will require approximately Kshs 5.1 billions. The institutional structure and a monitoring and evaluation framework for ensuring successful implementation of the strategic plan has been provided in chapters six and eight respectively.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

The Public Procurement Oversight Authority (PPOA) is a public body established under the Public Procurement and Disposal Act, 2005. The Authority was established on 1st January, 2007 when the Public Procurement and Disposal Act, 2005 came into operation. Procurement is one of the critical areas of Kenya's public financial management system which is undergoing reforms underpinned by the Public Financial Management Reform Strategy (PFM Strategy) that was launched on 23rd June 2006. The reforms are aimed at enhancing efficiency of utilization of public resources; ensuring fiscal stability which is key to creating an enabling environment for private sector led growth; and strengthen governance and transparency in the management of public finances.

Procurement reforms in Kenya span many years of continuous and sustained efforts. In 1978, a supplies manual was developed which consolidated a number of policies and circulars in a more coherent manner. A more comprehensive public procurement reform programme in Kenya was formally launched on 25th November, 1998. Pursuant to this effort, Public Procurement Regulations were issued in year 2001 under the Exchequer and Audit Act unifying all the circulars that had previously governed public procurement. The public procurement system still experienced institutional weaknesses that undermined its capacity, thus there was a need to have law to govern the procurement system in the public sector and to establish the necessary institutions to ensure that all procurement entities observe the provisions of the law.

The landmark in public procurement reforms therefore came in 2005 when the Public Procurement and Disposal Act, 2005 was enacted by Parliament. Among other things, the Act established a semi-autonomous oversight body, the Public Procurement Oversight Authority (PPOA), Public Procurement Oversight Advisory Board and the Public Procurement

Administrative Review Board. With the gazettelement of the Public Procurement and Disposal Regulations 2006, the law became operational on 1st January 2007.

1.2 KENYA DEVELOPMENT CHALLENGES

1.2.1 Long Term Development Challenges

The Kenya Vision 2030 highlights the various challenges that the country will face in its quest to achieve the vision of a globally competitive and prosperous nation. These challenges include: greater competition at the international level emanating from changing global economic trends; ensuring continued macroeconomic stability; minimizing institutional risks, especially related to governance and security; scaling up the quantity and quality of infrastructure, especially the condition of roads, access to and reliability of water, affordable electricity and efficient port and rail services; promoting efficiency through adoption of new technologies, reducing costs of doing business; and raising the level of investments from the estimated 20% of GDP in 2006 to about 30% of GDP in 2012.

1.2.1 Medium Term Development Challenges

Despite the achievements made in reviving the economy and meeting most of the 2003-2007 Economic Recovery Strategy targets, Kenya is still confronted with major development challenges in its 2008-2012 Medium Term Plan. These include the challenge of faster job creation that is required to address the high unemployment of labour and which is compounded by an increasing number of youths leaving school and unable to find gainful employment; the large number of Kenyans still living in poverty; high inequality in income distribution; inequity in gender; considerable disparities in development among different regions of the country; low savings and investment rates; insecurity; persisting corruption and weak governance; poor infrastructure; and slow progress in achieving structural changes in the economy, and overreliance on agriculture and export of primary products.

1.3 THE KENYA VISION 2030

To accelerate the growth of the economy, the Government developed a long term blue print for the country; the Kenya Vision 2030. The aim of the Kenya Vision 2030 is to make Kenya a globally competitive and prosperous country by transforming it into an industrialized middle income nation providing high quality of life for all its citizens in a clean and secure

environment. Attainment of the Kenya Vision 2030 also aims at achieving the Millennium Development Goals (MDGs).

Kenya Vision 2030 is anchored on three pillars; -

- i. **The Economic pillar:** Aims at providing prosperity for all Kenyans by attaining an annual growth rate of 10% per annum and sustaining it through the Vision period. Under this pillar, flagship projects have been identified in Tourism, Agriculture, manufacturing, wholesale and retail, business process outsourcing and financial services.
- ii. **The Social pillar:** Seeks to build a just and cohesive society with social equity in a clean and secure environment. To achieve this, the priority sectors identified include education and training, health, water and sanitation, the environment, housing and urbanisation, gender, youth and vulnerable groups.
- iii. **The Political pillar:** Aims to realise an issue based, people centred, result oriented and accountable democratic system. The specific areas identified for achievement of this priority are respect for the rule of law, protection of individual rights and freedom, electoral and political processes, democracy and public service delivery, transparency and accountability, security, peace building and conflict resolution.

To operationalise the Kenya Vision 2030, the Government has developed the first Medium Term Plan outlining the strategies for the next five years (2008-2012). The Government recognises the need for involvement and participation of citizens and all other stakeholders in achieving the objectives of the Kenya Vision 2030. It also recognises the need for prudent management of the Country's scarce resources.

1.4 THE ROLE OF PPOA IN THE ACHIEVEMENT OF VISION 2030

The Vision 2030 has identified key initiatives/ flagship projects to spearhead the socio-economic transformation in the country. A key enabler in the delivery of these projects is utilisation of an efficient and effective public procurement system. Thus, PPOA is expected to play a key role in the development, implementation and regulation of the public procurement system so as to ensure that:

- i) The Government gets value for money.
- ii) Loss of public funds on procurement is minimized.
- iii) There is optimized resource allocation for the various prioritized government projects.
- iv) Procured goods, works and services are delivered on time.

Existence of an effective and efficient procurement system will ensure reduction of Government expenditure, reduction in corruption, transparency and accountability in Government procurement processes. This will also facilitate availability of funds to finance other Government projects. Successful implementation of various flagship projects will contribute towards social-economic development in the country and will also enhance the living standards of the citizens.

PPOA therefore has an important role to play in the realisation of the Vision 2030, the Medium Term Plan and implementation of flagship projects through ensuring compliance of the provisions of the Public Procurement and Disposal Act, facilitating capacity building for the procuring entities as well as advising on the appropriate policies and regulations towards improvement of public procurement.

1.5 RATIONALE FOR STRATEGIC PLANNING

The strategic planning process was aimed at identifying and selecting the most appropriate ways (strategies) of utilizing the Authority's limited resources in areas with greatest potential impact. This strategic plan takes into account the Authority's internal and external environment; including political factors, regulatory framework, government policies,

technological trends and economic factors among others. Through the development and implementation of this strategic plan, PPOA will benefit in a number of ways. These include:

- i) Clarity on the overall mission and vision of the Authority resulting in concerted efforts to achieve a shared goal.
- ii) Increased organizational effectiveness resulting from the clear direction provided by the plan through setting objectives.
- iii) Developing a more proactive posture to deal with environmental challenges and take advantage of anticipated opportunities.
- iv) Improved stakeholder motivation and positive response achieved by communicating the strategic plan.
- v) Provision of a framework for tracking performance and taking corrective actions.
- vi) Provision of a participatory platform that enhances managerial skills and enables the functional managers to get an opportunity to broaden their viewpoint.

1.6 PLANNING ASSUMPTIONS

In the preparation of the strategic plan, the following assumptions were made:

- i) The Government will continue to support the Authority and provide adequate budgetary allocations.
- ii) The e-procurement system will be operationalised.
- iii) The Authority will continue to attract technical and financial support from development partners.
- iv) There shall be socio-economic and political stability in the country.
- v) The stakeholders shall cooperate with the Authority in the various activities.

1.7 METHODOLOGY OF DEVELOPING THE PLAN

A participatory strategic planning process was used in the development of this strategic plan. The methodology entailed review of various documents, interviews and discussions with the Directors, Interim Director-General, managers, employees and stakeholders. Several strategic planning workshops were also held with the Directors, management and staff.

1.8 ORGANIZATION OF THE PLAN

This strategic plan consists of eight chapters:

Chapter one is the introduction, which covers the background of PPOA, Kenya development challenges, the Kenya Vision 2030, the role of PPOA in the achievement of Vision 2030, the rationale for strategic planning, planning assumptions, the methodology of developing the plan and organization of the plan. Chapter two provides the institutional review covering the mandate, functions, vision, mission, core values and current organizational structure. Chapter three presents situation analysis covering an evaluation of PPOA's past performance, the internal environment, external environment and stakeholder analysis. Chapter four covers the strategic themes, objectives and strategies. Chapter five presents the implementation matrix, which covers for each of the strategic objectives, the strategies, proposed actions, implementing actors, time frame, resource requirements, expected outputs and output indicators. Chapter six covers the institutional structure. Chapter seven highlights the resource requirements and resource mobilization strategies. Chapter eight covers monitoring and evaluation framework for managing performance.

CHAPTER TWO

INSTITUTIONAL REVIEW

2.1 MANDATE

The Public Procurement Oversight Authority (PPOA) is an independent regulatory body established under the Public Procurement and Disposal Act, 2005 which came into operation on 1st January 2007 with the publication of the Public Procurement and Disposal Regulations, 2006.

The purpose of the Public Procurement and Disposal Act is to establish procedures for procurement and disposal of unserviceable, obsolete or surplus store and equipment by public entities in order to achieve the following objectives:

- i. Maximize economy and efficiency;
- ii. Promote competition and ensure that competitors are treated fairly;
- iii. Promote the integrity and fairness of those procedures;
- iv. Increase transparency and accountability in those procedures;
- v. Increase public confidence in those procedures and
- vi. Facilitate the promotion of local industry and economic development.

Arising from the above, the mandate of PPOA is to ensure that procurement procedures and regulations are complied with as established under the Public Procurement and Disposal Act, 2005 and Regulations, 2006.

2.2 FUNCTIONS

The functions of PPOA are set out in Section 9 of the Act. These are to:

- i) Ensure that procurement procedures established under the Act are complied with;
- ii) Monitor and report on the public procurement system and recommend improvements;
- iii) Assist in the implementation and operation of the public procurement system by;
 - Preparing and distributing manuals and standard tender documents to be used by procuring entities,
 - Providing advice and assistance to procuring entities,

- Developing, promoting and supporting the training and professional development of the persons involved in procurement,
- Issuing written directions to public entities with respect to procurement including the conduct of procurement proceedings and dissemination of information on procurements, and
- Ensuring that procuring entities engage procurement professionals in their procurement.

iv) Initiate public procurement policy and propose amendments to the Act; and

v) Perform such other functions and duties as are provided for under the Act.

2.3 VISION

To be the leading public procurement and disposal regulator globally.

2.4 MISSION

To enhance national socio-economic development by facilitating and ensuring the implementation of an effective and efficient public procurement and disposal system.

2.5 CORE VALUES

PPOA in its endeavour to realise its mission and vision upholds the following core values:

i. Transparency and accountability

PPOA will endeavour to act in transparent, unambiguous, predictable and understandable manner. The Authority will remain accountable to its stakeholders and will acknowledge responsibility for its actions and decisions without shifting the blame.

ii. Professionalism and integrity

PPOA board and staff members believe in competent and uncompromising service delivery resulting in added value to stakeholders.

iii. Creativity and innovativeness

PPOA encourages creativity, innovativeness and being responsive to new ideas.

iv. Efficiency and effectiveness

The Authority is committed to being effective and efficient in its work thereby delivering value-adding services to its customers.

v. Teamwork

The entire workforce of the Authority will embrace togetherness and team spirit in carrying out their duties. Synergy among the staff members shall be highly valued for better achievement of objectives.

vi. Courage

In the performance of their duties, PPOA boards and staff members shall be courageous in the execution of their duties and shall be prepared to mitigate any risks or challenges.

2.6 ORGANIZATIONAL STRUCTURE

2.6.1 Organization of the Authority

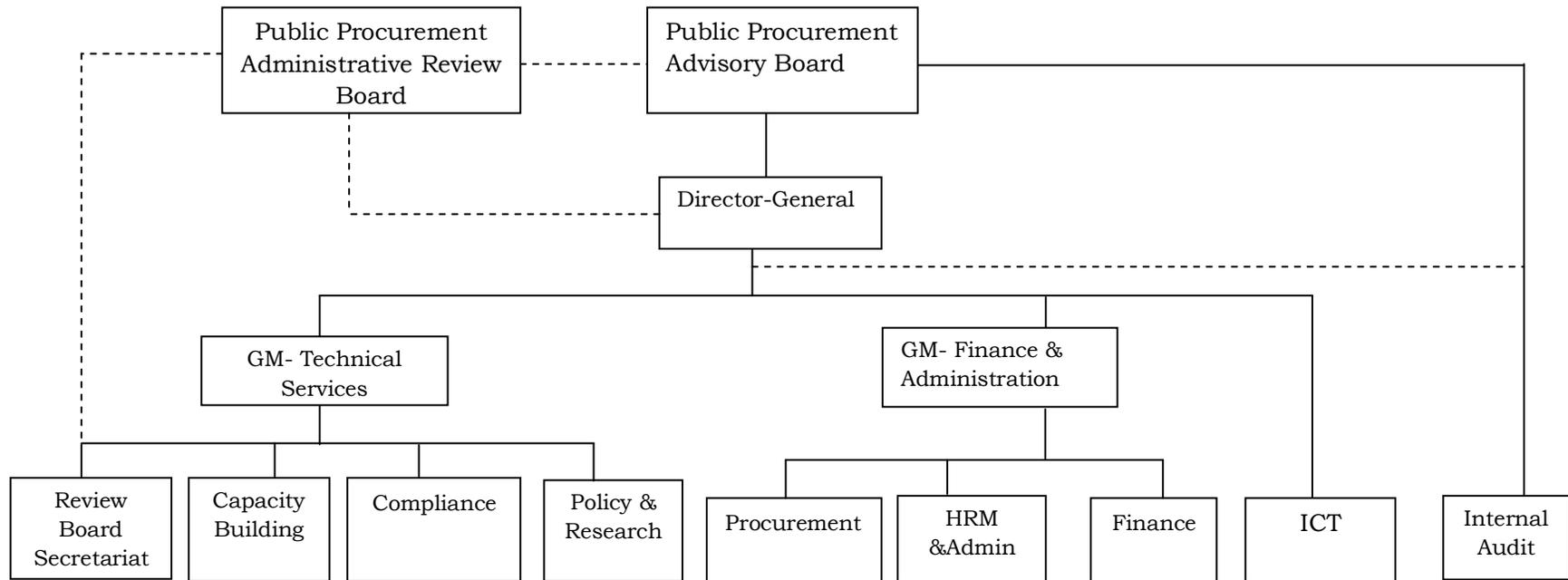
There are two boards namely, the Public Procurement Oversight Advisory Board (PPOAB) and the Public Procurement Administrative Review Board (PPARB). The Authority is headed by the Director-General and has two directorates namely; the Directorate of Technical Services and the Directorate of Finance and Administration each headed by a Director.

The Directorate of Technical Services is organized into four managerial departments: Compliance; Capacity Building; Administrative Review Secretariat; and Policy and Research. On the other hand, the Directorate of Finance and Administration is organized into three managerial departments: Finance; Human Resource and administration; and Procurement. The Authority also has the Internal Audit and ICT departments.

2.6.2 Staff establishment

Currently, the Authority has 43 members of staff spread across the various functional areas, most of whom were seconded from the Public Procurement Directorate (PPD) in the Ministry of Finance. The current organizational structure is shown in Figure 1.

Figure 1: Current organizational structure as at August 2009



CHAPTER THREE

SITUATIONAL ANALYSIS

3.1 EVALUATION OF PAST PERFORMANCE

PPOA has recorded major achievements in various areas since its inception. Key among these are:

3.1.1 Compliance

In ensuring compliance with the policies, rules and regulations of Public Procurement and Disposal Act, the Authority has undertaken the following initiatives:

- i) Pilot assessment of the country's procurement system using the OECD/DAC benchmarking methodology.
- ii) Assessment of 48 procuring entities (PEs).
- iii) Development of a procurement audit/review manual.
- iv) Development of an Internal Procurement Performance Monitoring Tool (IPPMT) for use by the PEs.
- v) Developed a tool/checklist for assessing PEs level of compliance to procurement Law.
- vi) Review/Audit of 14 procuring entities (PEs).

3.1.2 Capacity building

In the area of capacity building, PPOA has undertaken several initiatives including:

An assessment of the capacity of the public procurement system aimed at identifying ways of its improvement was undertaken. Development of the strategy of capacity building is in process. A policy and training programme has been developed and its implementation started. In addition, training materials and a training manual were developed with the assistance of the Kenya Institute of Education. The procurement process of computers to be delivered to District Offices and Local Authorities to enhance their capacity was initiated in December, 2009.

Sensitization on the Public Procurement and Disposal Act through various programmes involving 5,000 persons from the various procuring entities. Further, PPOA has been able to support SMEs and professional bodies through holding of workshops aimed at sensitizing them on provisions of the Act and potential opportunities for contracting with the Government.

In addition, the Authority supported Kenya Institute of Supplies Management on the preparation of the Supplies Practitioners Management Regulations, their Strategic Plan, and the Code of Conduct for procurement practitioners.

3.1.3 Policy and research

In relation to policy and research, the Authority has undertaken the following initiative:

- i) Preparation and distribution of manuals and standard tender documents. The Authority:
 - Prepared 14 bidding documents and posted them on its website.
 - Formulated guidelines for insurance bid bonds & services.
 - Organized a stakeholders' forum to validate the procurement manual.
 - Prepared guidelines for the implementation of capacity building levy (CBL).
- ii) Provision of advice and assistance to procuring entities. The Authority:
 - Prepared a market index of 575 common user items. The price has been circulated to over 400 PEs and posted on its website.
 - Initiated process of prequalifying and registering procuring agents (PAs).
 - Made responses to 21 requests made by stakeholders.
- iii) Issuance of written directions to public entities with respect to procurement including the conduct of procurement proceedings and the dissemination of information on procurement. The Authority issued:
 - Treasury Circular No. 2/2007 to operationalize the Act, 2005 & Regulations, 2006

- Gazettement of classification of public PEs, Gazette Notice no. 719 of 24th January 2007.
 - Formats for procurement reports.
- iv) Development of guidelines for preparing procurement plans.
- v) Facilitation of stakeholder participation in public procurement policy. The Authority held a stakeholder's forum at KICC on 27th June, 2008 to validate public procurement policy.
- vi) Promotion of the involvement of SMEs in public procurement, PPOA has undertaken the following initiatives:
- Development of TORs for a consultancy to operationalise the use of preference and reservation schemes.
 - Operationalised the use of insurance bid bonds as an alternative to bank guarantees.

3.1.4 Information and communication technology

The Authority launched its website on 20th June 2008, and has continued to post up to date information regarding public procurement on the website.

3.1.5 Administrative reviews

The Authority carried out capacity building for the PPARB's secretariat. This has improved skills on management of appeals mechanism.

3.2 SWOT ANALYSIS OF PPOA

This section addresses the strengths, weaknesses, opportunities and threats of PPOA.

3.2.1 Strengths

- i) The Authority has a strong legal backing through the PPOA Act.
- ii) The major components of the institutional structure are already developed. These are the PPOA, PPOAB and PPARB.
- iii) The members of staff cultivate teamwork and team spirit.

- iv) The institution has in place a good information and communication technology infrastructure.

3.2.2 Weaknesses

- i) The Authority operates with seconded staff.
- ii) Job insecurity at PPOA due to the transitional process.
- iii) Inadequate application of ICT in some processes.
- iv) Insufficient staffing levels.
- v) Weak linkages with key stakeholders such as KACC, judiciary, EMU.
- vi) Inadequate financial resources.
- vii) Inadequate organizational structure.
- viii) Slow decision-making process.
- ix) Weak monitoring and evaluation system.
- x) Inadequate linkages between the PPOAB, PPARB and the management staff.
- xi) Weak internal communication system.
- xii) Inadequate office space.

3.2.3 Opportunities

- i) Goodwill and financial support from the government and the donor community.
- ii) Existence of similar regulatory bodies in other countries from which the Authority can learn and borrow best practices.
- iii) Public goodwill.
- iv) Existence of institutions that can promote professionalism in procurement e.g. Universities, KISM, colleges.
- v) Developments in ICT e.g. fibre optic cable and mobile phone technology that could be utilized to facilitate the attainment of PPOA mandate.
- vi) Existence of supportive media.
- vii) Ability to raise own funds e.g. through the Capacity Building Levy.
- viii) Public sector reforms agenda supports enhancing public procurement.

- ix) Existence of organizations to partner with e.g. KACC, KENAO, TI, Centre for Corporate Governance, Efficiency Monitoring Unit on governance issues.

3.2.4 Threats

- i) High reliance on donor funding.
- ii) Inadequate technical and infrastructural capacity among some PEs.
- iii) Weak record management systems in some PEs.
- iv) Low level of awareness among the public on the existence and role of PPOA.
- v) Corruption within the society is an impediment in enhancing transparency and accountability.
- vi) Limited publicity on the new legal requirements on procurement.
- vii) Low level of professionalism in public procurement.
- viii) Inadequate technical and financial capacity among suppliers e.g. SMEs to take part in public procurement.
- ix) Poor perceptions about public procurement.
- x) Lack of operationalization of all the provisions under the Act.
- xi) The Act does not adequately address the disposal of public assets.

3.4 STAKEHOLDER ANALYSIS

PPOA has many stakeholders. Some of the key stakeholders are summarized in Table 1.

Table 1: Stakeholder analysis

Stakeholder	Stake / Role	Expectation
1. Government of Kenya	- Financial support -Legislation	PPOA to deliver on its mandate Efficient and effective procurement system in place
2. Procuring entities (PEs)	- Implementers of procurement policies, guidelines and procedures - Compliance with the Act	Advice and assistance in procurement process Supply of relevant procurement related documents/manuals

Stakeholder	Stake / Role	Expectation
3. Suppliers/Bidders	<ul style="list-style-type: none"> - Providers of goods, works and services - Feedback on performance of the procurement system delivery 	Transparency, equity and fairness in the procurement process
4. Development Partners	<ul style="list-style-type: none"> - Technical and financial support 	Transparency and accountability in the utilization of public funds
5. Academic institutions	<ul style="list-style-type: none"> - Define and set standards for practice and train procurement professionals 	Support from the Authority in development of procurement profession
6. General public	<ul style="list-style-type: none"> - Beneficiaries of public services 	Timely delivery of quality public goods and services
7. Media	<ul style="list-style-type: none"> - Create awareness of public procurement policies and operations 	Timely provision of information about public procurement for public consumption
8. Regulatory and oversight agencies e.g. KEBS, NEMA, Judiciary, KENAO, KACC, KRA	<ul style="list-style-type: none"> - Mitigating abuse of public funds - Prosecution and resolution of cases relating to procurement - Collection of government revenue 	<p>Support from the Authority in ensuring compliance to laws and regulations</p> <p>Accountability in the use of public funds</p> <p>Proper application of funds in procurement</p>
9. Private sector associations e.g. KAM, FKE and professional bodies	<ul style="list-style-type: none"> - Coordinate members to promote the provisions of the Act and improve professionalism 	<p>Fairness and transparency in procurement process</p> <p>Conducive business environment</p>
10. Staff	<ul style="list-style-type: none"> -Service delivery 	<p>Conducive working environment</p> <p>Training and capacity building</p> <p>Commensurate reward for performance</p>
11. Public Procurement Oversight Advisory Board and Public Procurement Administration Review Board	<ul style="list-style-type: none"> -Policy direction -Adjudication of matters arising from disputed procurement proceedings 	<p>Training and capacity building</p> <p>Compliance with statutory and administrative obligations</p>

CHAPTER FOUR

STRATEGIC ANALYSIS

4.1 STRATEGIC THEMES

The identified strategic themes, as informed by the Authority's mandate, functions and the situational analysis are as follows:

4.1.1 Compliance

The Act outlines several provisions relating to governance structures, systems, procedures and reporting that PEs are expected to comply with. However, the level of compliance among the PEs is still low. For instance, some of the PEs have not put in place procurement systems and structures as detailed in the Act. Although PPOA has operationalized most of the Act provisions, the Authority needs to strengthen its capacity and enforcement mechanism as a way of enhancing compliance with the Act. In addition, to enhance the compliance, the Authority needs to institute measures that will ensure timely provision of advisory services and establish linkages with other government agencies whose mandate touch on various aspects of public procurement. Further, the Authority needs to benchmark the procurement system with a view of modernizing and streamlining the procurement processes.

4.1.2 Capacity building

The key implementers of the Public Procurement and Disposal Act are the PEs. Section 9(c) (iii) of the Act mandates the PPOA to develop, promote, and support training and professional development of those involved in procurement in the public sector. In addition, Section 9(c) (v) mandates the Authority to ensure that PEs engage professional staff within their procurement units. Although PPOA has initiated activities for capacity building, more still needs to be done to provide appropriate skills and facilities to PEs in order to ensure professionalism in public procurement.

As a way of enhancing professionalism in public procurement, there is need for PPOA to support the development of a professional body in procurement in Kenya. Further, the

Authority needs to collaborate with institutions of higher learning in development of procurement professionals with the requisite knowledge skills and ethical standards. In addition, as a way of enhancing compliance, there is need to support PEs with the requisite systems and equipment.

4.1.3 Policy, Legal and Regulatory framework

Some of the provisions in the Act, for instance reservations and preferences for SMEs have not been operationalised. In addition, regulations to guide procuring entities on public-private partnerships (PPP), public procurement records management protocols and development of a public procurement policy framework need to be finalized. Further, there are some provisions in the Act that are inconsistent with other regulations. Apart from strengthening the enforcement mechanism, it is imperative to undertake research that will inform review and operationalisation of all provisions of the Act to make it more relevant and effective in governing the public procurement process. To strategic position the procurement function, there is need to undertake research and develop policy guidelines on the appropriate procurement organisation structures for the different classes of PEs.

4.1.4 Institutional capacity

Since its establishment on 1st January 2007, PPOA has been in a transitional phase. A new organizational structure was developed and is awaiting approval. It is expected that the new structure will be approved and adopted. In the meantime, PPOA relies on interim structures, systems and staff seconded from the Public Procurement Directorate of the Ministry of Finance. This has led to a situation of temporariness and a feeling of job insecurity among the staff members. Consequently, it is expected that PPOA will hire its own staff and undertake capacity building for its staff. Further, there is need to strengthen mobilization of additional funds including leveraging on the Capacity Building Levy provided for in the Act and also to put in place financial management systems that will ensure efficient use of resources and accountability.

To improve efficiency and effectiveness in PPOA, there is need to review the current processes, policies and procedures to make them relevant and consistent with the changes in ICT and stakeholder needs. In addition, there is need to develop a policy on outsourcing of services. For instance it may be more effective and efficient to outsource some of the judicial review cases to external lawyers. There is also need to strengthen capacity of the boards and to develop mechanisms for facilitating access to the review board services as well as ways of identifying and dismissing frivolous requests. Further, there is need to implement a performance management system in the Authority.

4.1.5 Corporate Image

The public is still not adequately aware of the existence and role of PPOA. Although the Authority has taken commendable publicity initiatives such as the development of its website and airing of TV programmes, it should continue to develop and distribute other publications and documents that are designed for public information and have them placed on the website. A variety of publicity campaigns within the media and communities are also required to build a positive image of PPOA. Further, there is need to manage stakeholders expectations.

4.2 STRATEGIC OBJECTIVES

The objectives of PPOA for the planning period are:

- 14) To ensure compliance with the Public Procurement and Disposal Act, 2005; Regulations, 2006; and PPOA guidelines;
- 15) To increase the number of annual reviews from 15 to 63 by 2014;
- 16) To increase the number of annual assessments from 32 to 97 by 2014;
- 17) To increase the numbers of PE implementing the internal procurement performance monitoring tool (IPPMT) from 20 to 100 by 2014;
- 18) To build capacity of persons and institutions involved in public procurement;
- 19) To strengthen the policy, legal and regulatory framework for public procurement and disposal;

- 20) To enhance strategic positioning of the procurement function.
- 21) To attract, develop and retain qualified and skilled human resources;
- 22) To strengthen performance management in PPOA;
- 23) To ensure good corporate governance in PPOA;
- 24) To enhance efficiency and effectiveness in service delivery;
- 25) To enhance mobilization and utilization of resources; and
- 26) To improve corporate image of PPOA.

4.3 STRATEGIES

To enable achievement of the specified objectives, a set of relevant strategies were formulated. These are presented in Table 2.

Table 2: Strategic themes, objectives and strategies

Compliance	1. To ensure compliance with the Procurement and Disposal Act, 2005; Regulations, 2006; and PPOA guidelines	<ul style="list-style-type: none"> i) Enhance prompt and thorough investigation of complaints ii) Enhance follow up on implementation of ARB decisions iii) Enhance collaborations with other law enforcement agencies iv) Modernization of procurement systems v) Enhance use of debarments vi) strengthen the M&E system
	2. To increase the number of annual reviews from 15 to 63 by 2014	<ul style="list-style-type: none"> i) Enhance staff capacity to effectively carry out reviews ii) Utilize external expertise
	3. To increase the number of annual assessments from 32 to 97 by 2014	<ul style="list-style-type: none"> i) Enhance capacity to effectively carry out assessments ii) Utilize external expertise

	4. To increase the numbers of PE implementing the internal procurement performance monitoring tool (IPPMT) from 20 to 100 by 2014	i) Enhance use of IPPMT by PEs
Capacity building	To build capacity of persons and institutions involved in public procurement	<ul style="list-style-type: none"> i) Strengthen capacity building programmes for PEs ii) Improve the capacity of private sector to effectively participate in public procurement iii) Enhance awareness and understanding among the PEs on the public procurement Act and Regulations and Supply Chain Management iv) Improve capacity of procurement officers in the PEs v) Monitor and evaluate the impact of training programmes vi) Enhance professionalism in public procurement among PEs
Policy, Legal, Regulatory framework	To strengthen the regulatory framework for public procurement and disposal	<ul style="list-style-type: none"> i) Reviewing the Act ii) Enhance regulations for public-private partnerships iii) Operationalise all provisions of the Act
	To strengthen positioning of the procurement function.	Ensure procurement units are at strategic level
Institutional capacity	1. To attract, develop and retain qualified and skilled human resources	<ul style="list-style-type: none"> i) Strengthen the organizational structure ii) Ensure PPOA is adequately staffed iii) Strengthen staff skills iv) Enhance staff morale v) Enhance staff welfare

	2. To strengthen performance management in PPOA	<ul style="list-style-type: none"> i) strengthen Boards' performance ii) Enhance the performance of staff members iii) Ensure timely and consistent implementation of decisions
	3. To ensure good corporate governance in PPOA	<ul style="list-style-type: none"> i) Enhance level of corporate governance within the Board and management
	4. To enhance efficiency and effectiveness in service delivery	<ul style="list-style-type: none"> i) Ensure seamless processes ii) Enhance utilization of ICT iii) Utilize the e-procurement system iv) Reduce the number of frivolous requests v) Increase access to services provided by the ARB vi) Outsource services vii) Utilize document management system
	5. To enhance mobilization and utilization of resources	<ul style="list-style-type: none"> i) Operationalize the provisions for Capacity Building Levy ii) Strengthen relationships with development partners iii) Enhance utilization of allocated funds iv) Attract additional funding from the government
Corporate image	To improve corporate image of PPOA	<ul style="list-style-type: none"> i) Enhance awareness of PPOA ii) Manage stakeholders expectations

CHAPTER FIVE

IMPLEMENTATION MATRIX

Chapter five presents the implementation matrix which covers the strategic themes, strategic objectives, strategies, activities, implementing actors, time frame, resource requirements, expected outputs and output indicators.

THEME 1: COMPLIANCE

Objective 1.1: To ensure compliance with the Procurement and Disposal Act, 2005; Regulations, 2006; and PPOA's guidelines

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs. Million) per year					
						1	2	3	4	5	Total
Enhance prompt and thorough investigations and handling of complaints	Efficiency and effectiveness in conducting investigations and handling of complaints	Develop procedures for undertaking investigations and handling complaints	Procedures in place	Compliance/Policy and research	June 2010		3				3
		Implement procedures for undertaking investigations	Time taken to undertake investigations	Compliance	July 2010 & Continuous						OPB
	Increased compliance	Undertake capacity building programmes for compliance team	Number of trainings undertaken/ number of officers trained	Capacity building/Compliance	Jan 2010 & Continuous	3	4	5	6	6	24
		Develop and implement procedures for dealing with complaints	Procedures in place Time taken to deal with complaints	Compliance/Policy and research	June 2010		3				3
		Undertake capacity building programmes for ARB members	Number of trainings Time taken on reviews	Capacity building/ ARB Secretariat	June 2010 & half yearly	3	3	3	3	3	12
		Develop mechanism for capturing all tender details	Mechanism for data capturing in place	Compliance/ICT	October 2010		4.5	0.5	0.5	0.5	5.5
		Develop a checklist for assessments and reviews	Checklist in place	Compliance	October 2010		4				4

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs. Million) per year					
						1	2	3	4	5	Total
		Undertake compliance checks on advertised tenders	Number of compliance checks conducted Level of compliance	Compliance/Research	Continuous	2	2	2	2	2	10
Enhance follow up on implementation of ARB decisions	Increased compliance	Develop follow up mechanism for ARB decisions	Follow up mechanism in place	ARB secretariat/ Compliance	September 2010		2				2
		Implement the follow up mechanism for ARB decisions	Number of ARB decisions implemented	ARB secretariat/ Compliance	Continuous	2	2	2	2	2	10
Enhance collaborations with law enforcement agencies	Increased compliance	Identify law enforcement agencies to partner with	List of identified agencies	DG/Compliance/ Policy and research	June 2010						OPB
		Enter into MOUs with relevant law enforcement agencies	Number of MOUs	DG/Compliance/ Policy and research	August 2010						OPB
Modernization of procurement systems	Increased compliance, effectiveness and efficiency	Undertake research on ways of improving procurement systems	Research reports	Compliance/ Policy and research	Continuous						OPB
		Develop and issue relevant policies, regulations and procedures	Update procurement systems in place	Compliance/ Policy and research	Continuous						OPB
		Undertake training	No. of PEs trained	Capacity building/compliance	Continuous						OPB
Enhance use of debarment	Increased compliance with the law	Develop appropriate debarment policy	Debarment policy in place	Policy and Research/ Compliance	June 2010		4				4
		Implement debarment	Implementation level Level of compliance	Compliance	July 2011						OPB
Enhance the monitoring and evaluation	Increased compliance	Develop and implement monitoring and evaluation system	M & E system in place	Compliance/ Policy and research	Sept 2011		6				

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs. Million) per year					
						1	2	3	4	5	Total
		Carry out a monitoring and evaluation of public procurement practice	Level of compliance with the law	Compliance/ Policy and research	Continuous	5	6	8	10	10	39

Objective 1.2: To increase the number of annual reviews from 15 to 63 by 2014

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs.Million)					
						1	2	3	4	5	Total
Enhance capacity to effectively carry out reviews	Efficiency and effectiveness in undertaking procurement reviews	Undertake training programmes for staff	Number of trainings held Number of staff members trained	HR/ Compliance/ Capacity Building	Immediate & Continuous	2	2	2	2	2	10
		Acquire and implement appropriate ICT systems in review process	ICT systems implemented Number of annual reviews undertaken	ICT/Compliance	December 2010			10.5	0.5	0.5	11.5
Utilize external expertise to carry out reviews	Increased compliance check	Develop policy for sourcing external expertise	Policy for outsourcing in place	Compliance/Policy and research	June 2010		3				3
		Identify external parties/consultants	List of identified consultants	Compliance/Policy and research/Procurement	June 2010 & continuous	1	1	1	1	1	5
		Enter into contracts with external parties to undertake reviews	Number of contracts Number of reviews outsourced	Compliance/ Procurement	June 2010 & Continuous	14	16	20	25	30	105

Objective 1.3: To increase the number of annual assessments from 32 to 97 by 2014

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs.Million)					
						1	2	3	4	5	Total
Enhance capacity to effectively carry out assessments	Improved efficiency and effectiveness in undertaking procurement assessments	Undertake training programmes for staff	Number of trainings undertaken Number of staff trained	HR/Capacity building/ Compliance	Immediate & continuous	1.5	1.5	1.5	1.5	1.5	7.5
		Acquire and implement appropriate ICT systems to enhance efficiency	ICT systems implemented Number of annual assessments	ICT/Compliance/Procurement	Dec 2010			10.5	0.5	0.5	11.5
Utilize external expertise to carry out assessments	Increased compliance check	Develop policy for sourcing external expertise	Policy for outsourcing in place	Compliance/Policy and research	June 2010	8	10	14	18	20	70
		Identify external parties/consultants	List of identified consultants	Compliance/Policy and research/Procurement	June 2013				3		3
		Enter into contracts with external parties to undertake assessments	Number of contracts Number of assessments outsourced	Compliance/Procurement	June 2010 & continuous				1	1	2

Objective 1.4: To increase the numbers of PE implementing the internal procurement performance monitoring tool (IPPMT) form 20 to 100 by 2014

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs.Million)					
						1	2	3	4	5	Total
Enhance use of IPPMT by PEs	Increased compliance	Identify PE in which to implement IPPMT	Prioritized list of Pes	Compliance	Jan 2010						OPB
		Avail IPPMT to identified Pes	No. of Pes with IPPMT	Compliance	March 2010 & continuous	3	3	3	3	3	15
		Undertake PE training on the use of IPPMT	Number of Pes trained	Compliance/ Capacity building	March 2010 & continuous	2	2	2	2	2	10

THEME 2: CAPACITY BUILDING

Objective 2: To build capacity of persons and institutions involved in procurement.

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs. Million)					
						1	2	3	4	5	Total
Strengthen capacity building programmes for PEs	Improved professionalism in public procurement practice	Develop capacity building policy	Capacity building policy in place	Capacity building	Feb 2010	5					5
		Carry out training needs analysis among stakeholders	Training needs analysis report	Capacity building/ Compliance	Sept 2010 and 2013	5			5		10
		Prioritize the institutions requiring capacity building	Prioritization schedule in place	Capacity building	Dec 2010						OPB
		Develop policy and procedures for utilizing external trainers	Policy and procedures in place	Capacity building/ Policy and research	Jan 2010	0.2					0.2
		Develop a database of external trainers	Consultant data base in place	Capacity building	March 2010						OPB
		Enter into contracts with selected consultants to train PEs	Number of contracts No. of PEs trained	Capacity building	April 2010 & continuous	0.2	0.2	0.2	0.2	0.2	1
		Develop a calendar for conducting capacity building sessions	Training calendar in place	Capacity building	Dec 2010						OPB
		Undertake capacity building programmes	Number of capacity building programmes undertaken Number of persons trained	Capacity building	Immediate & Continuous	100	100	100	100	100	500
Improve capacity of private sector to	Increase the number and improve the	Sensitize potential youth bidders and women groups	Number of trained persons	Capacity building	Immediate and continuous						

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs. Million)					
						1	2	3	4	5	Total
effectively participate in public procurement	quality of participation of the private sector in public procurement	Sensitize professional bodies (APSEA) and the civil society on how to monitor public procurement	Number of professional bodies and civil society sensitized	Capacity building	Immediate and continuous						
		Sensitize SME on opportunities available in public procurement	Number of SMEs sensitized	Capacity building	Immediate and continuous						
		Sensitize the media on their roles	Number of media houses sensitized	Capacity building	Immediate and continuous						
Enhance awareness and understanding among the PEs on the Public Procurement Act and Regulations and Supply chain management	Increased compliance	Sensitize various PEs about the Act, Regulations and e-procurement	Number of PEs sensitized	Capacity building	Immediate and continuous						
		Finalize preparation of training materials for different stakeholders on the Act, Regulations and Supply Chain Management	Training materials developed and validated	Capacity building	Immediate and continuous	2	2	2	2	2	10
Improve capacity of procurement officers in the PEs	Increased efficiency in the procurement function	Initiate the equipment procurement	Proposal on equipment prepared	Capacity building/ ICT/Procurement	Immediate and continuous						
		Procure and distribute the computers to the LGAs and DPOs	Equipments procured and distributed	Capacity building/ ICT/Procurement	From June 2010	90	8	8	8	8	122
		Organize for basic computer training for DPOs and LGAs	Number of officers trained on computer basics	Capacity building/ ICT/Procurement	From June 2010	10	3	2	2	2	19
Monitor and evaluate impact of training programmes	Established impact on training programmes	Identify PEs to be monitored and conduct M&E	Number of PEs monitored and evaluated	Capacity building	Immediate and continuous	3.5	3.5	3.5	3.5	3.5	17.5

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs. Million)					
						1	2	3	4	5	Total
Enhance professionalism in public procurement among PEs	Increased compliance and ethical practices	Identify relevant partners/organizations in forming a professional body to regulate procurement officers	List of identified partners	Compliance/ Capacity	Jan 2010						OPB
		Work/partner with relevant partners to develop the professional body	MOU with identified partners	Compliance/ Capacity	April 2010	0.2	0.2	0.2	0.2	0.2	1
		Launch the professional body	Professional procurement body in place	DG/Partners/ Corporate communication	August 2010		3				3
		Support development of code of conduct for procurement personnel	Code of conduct in place	Policy and Research/ Compliance	July 2010	0.8	0.2				1
		Enter into MOUs with relevant institutions e.g. KISM, Universities to conduct training	Number of MOUs Number of procurement professionals trained	Capacity building/ Compliance	July 2010 & continuous	2	10	10	9	9	40
		Publicize the procurement law and regulations among stakeholders	Number of campaigns undertaken Level of awareness of procurement regulations	Capacity building/ Compliance / Corporate communication	Continuous	8	8	8	8	8	40
Establish a resource centre	Increased compliance and professionalism in procurement	Undertake study on the establishment of the centre	Feasibility study report	Administration/ ARB/department heads	June 2011		5				5
		Operationalise and equip the centre with appropriate materials	Operational centre in place	Administration/ ARB/department heads			3	5	7	9	14

THEME 3: POLICY, LEGAL and REGULATORY FRAMEWORK

Objective 3.1: To strengthen the regulatory framework for public procurement practice.

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs.Million)					
						1	2	3	4	5	Total
Review the Act	Strong regulatory framework for public procurement	Institute a taskforce to review the Act	Task force to review the Act in place	DG/Board	December 2010	0.02					0.02
		Identify areas of the Act that require amendment	Areas needing amendment identified	Task force	June 2011	10	10				20
		Prepare bills for amending the Act	Bills prepared	Task force	June 2012		10	10			20
		Communicate the bills to the Minister for amendment	Bills received by minister	DG/Board	June 2012			0.01			0.01
		Amend the identified sections	Bills taken to parliament Act amended	Minister/Parliament	December 2012			5	5		10
Enhance regulations for public-private partnerships	Strong regulatory framework for public-private partnerships	Develop regulations for public-private partnerships (PPPs)	Regulations for PPPs developed	Compliance/ Policy and Research	December 2010	3	3				6
		Implement regulations for PPPs	Regulations for PPPs implemented	Compliance	June 2011		2.5	2.5	2.5	2.5	10
Operationalise all provisions of the Act	Increased compliance and strong regulatory framework	Identify provisions to be operationalised e.g. reservations and preferences for SMEs, procurement agents	List of identified provisions	Compliance / Policy and Research	Jan 2010						OPB
		Undertake operationalisation	Operationalised provisions in place	Compliance/ Policy and Research/ Consultants	June 2010	20					20
		Undertake training/ publicity of operationalised provisions	Number of publicity campaigns/ number of PEs and SMEs trained	Compliance/ Capacity building	July 2010 & continuous		5	5			10

Objective 3.2: To strengthen positioning of the procurement function.

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs. Million)					
						1	2	3	4	5	Total
Ensure procurement units are at strategic level	Increased compliance	Undertake research on the positioning and reporting structure for procurement unit	Study report	Policy and Research	December 2010	0.02					0.02
		Issue guidelines on the procurement organisation structures for various classes of entities	Guidelines and sample organisation structures for various classes	Compliance/Policy and Research	June 2011	10	10				20
		Work with PE to harmonise procurement organisation structures	No. of PE with harmonized structures	Compliance/Policy and Research	June 2011 and continuous		10	10			20

THEME 4: INSTITUTIONAL CAPACITY

Objective 4:1 To attract, develop and maintain qualified and skilled human resources

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs.Million)					
						1	2	3	4	5	Total
Strengthen the organizational structure	Optimal staffing levels Efficiency and effectiveness in service delivery	Finalize the approval process and implement the new organizational structure	Approved organizational structure in place	Human Resource/DPM/Treasury	December 2009						OPB
Ensure PPOA is adequately staffed	Efficiency and effectiveness in service delivery	Finalize approval process and implement job evaluation report	Approved job evaluation report in place	DPM/Treasury/HR	June 2010						OPB
		Undertake staff recruitment	PPOA staff in place	HR/Consultant	June 2010	30	10				40
Strengthen staff skills	Enhanced competency within the workforce	Undertake training needs assessments	Training needs report	HR	June 2010	4					4
		Prepare training calendar	Training calendars in place	HR	March 2010						OPB
	Efficiency in service delivery	Carry out training	Number of trainings conducted Number of staff members trained	HR	Continuous	10	10	10	5	5	40
Enhance staff morale	Motivated staff	Develop HR policies	HR policies in place	HR/Consultant	December 2010	1	1				2
		Implement HR policies	HR policies implemented	HR	December 2010						OPB
		Sensitize staff on corruption eradication	Number of staff sensitized	HR	Continuous						OPB
Enhance staff welfare	Satisfied workforce	Develop a welfare policy	Staff welfare policy developed	HR	July 2010	1	1				2

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs.Million)					
						1	2	3	4	5	Total
		Implement the staff welfare policy	Staff welfare policy implemented Level of staff satisfaction	HR	August 2010 & continuous						OPB
		Sensitize staff on HIV and Aids	Number of sensitization forums	HR	August 2010 & continuous						OPB

Objective 4:2 To strengthen performance management in PPOA

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs.Million)					
						1	2	3	4	5	Total
Enhance Boards performance	Improved performance of the Board	Develop and implement performance management systems for Boards	Performance management system for Board developed and implemented	HR/Consultant	April 2010	2					2
		Develop TORs for Board Committee	TORs in place	ARB	Jan 2010 & continuous						OPB
Enhance the performance of staff members	Increased staff productivity	Develop and implement performance management systems for staff members	Performance management system in place	HR/Consultant	March 2010	3					3
Ensure timely and consistent implementation of decisions	Efficiency in implementation of prioritized activities	Develop tracking and reporting system	Monitoring and reporting system in place	HR/Consultant	June 2010	5					5
		Undertake planning and programming of activities	Schedule of activities and resources needed Implementation status report	HR/Consultant	March 2010 & continuous	1	0.5	0.5	0.5	0.5	3

Objective 4:3 To ensure good corporate governance in PPOA

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs.Million)					
						1	2	3	4	5	Total
Enhance level of corporate governance within the Board and management	Increased productivity of Board Enhanced efficiency and effectiveness	Undertake induction for new Board and staff	Number of induction programs undertaken Number of board and staff members inducted	HR/Consultant	Feb 2010 & continuous	1	0.5	0.5	0.5	0.5	3
		Carry out training for management and the Board on good corporate governance practices.	Number of trainings held on corporate governance Number of board and staff members trained	Capacity building/HR/Consultant	May 2010 and every two years	1		1		1	3
	Develop and implement a board charter/ manual	Board charter in place Level of adherence to the Board charter	HR/Consultant	June 2010	2						2
	Identify and document limits of authority for the Boards and staff	Limit of authority document in place	HR/Consultant	July 2010	3						3

Objective 4:4 To enhance efficiency and effectiveness in service delivery

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs. Million)					
						1	2	3	4	5	Total
Ensure seamless processes	Increased efficiency in operations	Undertake business process reengineering	BPR report	Consultant/ HOD	July 2010	3	2				5
		Implement BPR recommendations	New processes in place	Consultant/ HOD	July 2010		5	5			10
		Develop rules and procedures to guide various operations in PPOA	Rules and procedures in place	ICT/ HOD	September 2010						OPB
		Undertake ISO certification	ISO certificate	All departments & consultants	Dec 2011		5	5			10
Enhance utilization of ICT	Increased efficiency in operations	Develop ICT policy	ICT policy	ICT	July 2010	2					2
		Identify and implement appropriate ICT systems in operations	Level of ICT integration in the operations	ICT/HOD	July 2010	7	5	5			17
		Undertake regular website updates	New information posted on website	ICT	Immediate & continuous						OPB
		Undertake maintenance of the LAN	Efficiency and increased use of the LAN	ICT	Continuous						OPB
		Undertake ICT training needs assessment	ICT training needs identified	ICT	July 2010						OPB
		Conduct ICT training	Number of trainings conducted Number of staff trained	ICT/Capacity building/Consultant	July 2010	1	1	1	1	1	5
Utilize the e-procurement system	Efficient procurement system	Develop e-procurement policy	E-procurement policy in place	ICT/Policy and Research	Feb 2010	10					10
		Prepare specifications for e-procurement system	Specifications for e-procurement system in place	ICT/Consultant	March 2010	10					10
		Acquire and implement necessary ICT systems for e-procurement in PEs	E-procurement system in place	ICT/ Consultant	December 2010		100				100

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs. Million)					
						1	2	3	4	5	Total
		Conduct capacity building on E-procurement	Number of trainings Number of staff trained Number of PEs trained	ICT/Capacity building/HR	July 2012			10	10		20
Reduce the number of frivolous requests	Minimize unnecessary delays in procurement process	Conduct a study on matters relating to frivolous appeals and related matters	Study report	ARB	Jan 2011	1.5					1.5
Increase access to services provided by the ARB	Enhanced access to ARB services	Undertake a study on modalities of increasing access of ARB services	Study report	ARB	Jan 2011		5				5
		Implement recommendation of the study	Level of implementation	ARB/Admin	July 2011			4	4	4	12
		Create awareness of the operations of the ARB	Level of awareness	ARB	Continuous						OPB
Outsource services	Increased efficiency and effectiveness	Develop and implement policy on service outsourcing e.g use of external lawyers	Policy in place No. of cases external parties are being involved	ARB/Policy and research/Admin	Dec 2010						OPB
Utilize document management system	Enhanced efficiency in document management	Acquire and implement a document management system	Document management system in place	ICT/ARB/departmental heads	Jan 2011		15	2	2	2	21

Objective 4:5 To enhance mobilization and utilization of financial resources

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs.Million)					
						1	2	3	4	5	Total
Operationalize the provisions for Capacity Building Levy	Increased funding	Develop a mechanism to collect the CBL	Mechanism to collect the CBL in place	Finance/Policy and Research	July 2010	2					2
		Operationalize collection of the CBL	Amount of CBL collected	Finance/Policy and Research	July 2010	2					2
Enhance partnerships with development partners	Increased support from development partners.	Identify and approach prospective donors	List of prospective donors	Finance/Corporate affairs/ Compliance/ Capacity building	April 2012						OPB
		Prepare and provide development partners with performance reports	Performance reports Level of support	Internal Audit/Finance/Corporate affairs/ Compliance	Immediate & continuous	1	1	1	1	1	5
Enhance utilization of allocated funds	Efficient utilization of funds	Develop budget for allocating funds	Budget in place	Finance/ HOD	Immediate & continuous						OPB
		Acquire financial management system	Financial management system in place	Finance/Levy administration	June 2011		15				15
Attract additional funding from the government	Increased funding from the government	Build a case for additional funding	Funding request proposal	DG/Finance	January 2010						OPB
		Make formal request to the government through the parent Ministry for increase in PPOA fund allocation	Funding request proposal	DG/ PPOAB	Feb 2010						OPB
		Lobby for additional government funding	Amount of additional funds	DG/ PPOAB	January 2010 & continuous						OPB

THEME 5: CORPORATE IMAGE

Objective 5: To improve corporate image of PPOA

Strategy	Expected outcome(s)	Activity	Output indicator	Implementing actors	Timeline	Resources (Kshs.Million)					
						1	2	3	4	5	Total
Enhance awareness of PPOA	Increased public awareness on existence and role of PPOA	Develop and implement brand strategy	Corporate image	Corporate affairs	Dec 2010	2	3				5
		Conduct surveys to know current perception status	Survey report	Corporate affairs/ consultant	April 2011 and after two years		5		5		10
		Carry out publicity campaigns	Number of publicity campaigns Level of awareness of PPOA Public perception of PPOA	Corporate affairs	Dec 2011						OPB
		Finalise and implement communication strategy	Communication strategy , level of awareness and stakeholders support	Corporate affairs	Dec 2011						OPB
Manage stakeholders expectations	Increased compliance and feedback on public procurement system	Undertake stakeholders classification	Stakeholder classification list	Corporate affairs	August 2010 and yearly						OPB
		Prioritise stakeholders forum	Prioritised list of stakeholders forum	Corporate affairs	August 2010 and yearly						OPB
		Hold stakeholder forum	No. of stakeholders meeting held	Corporate affairs	Per calendar		3	4	5	7	19

CHAPTER SIX

INSTITUTIONAL STRUCTURE

6.1 BOARDS

6.1.1 Advisory Board

The functions of the advisory Board are-

- i) To advise the authority generally on the exercise of its powers and the performance of its functions;
- ii) To approve the estimates of the revenue and expenditures of the Authority;
- iii) To recommend the appointment or termination of the Director-General in accordance with the Act; and
- iv) To perform such other functions and duties as are provided for under the PPOA Act.

6.1.2 Public Procurement Administrative Review Board

This board is a continuation of the Public Procurement Complaints Review and Appeal Board that was established under the Exchequer and Audit (Public Procurement) regulation, 2001. The Board was established to promote and uphold fairness in the Public Procurement System through judicious and impartial adjudication of matters arising from disputed procurement proceedings.

6.2 OFFICE OF THE DIRECTOR-GENERAL

As the Chief executive Officer, the Director-General is responsible for the implementation of the Board's decisions in a results-oriented and timely manner to achieve the Authority's goals, objectives and other agreed upon performance targets.

Specific functions of the DG include:

- i) Overseeing the day-to-day business of the Authority;
- ii) Overseeing the development of strategic plan and annual operating budgets;
- iii) Ensuring that proper internal control and monitoring systems are in place;
- iv) Coordinating preparation and submissions of proposals, statutory reports and other reports for consideration by the Board and other relevant authorities;

- v) Ensuring effective communication between the management and the Board;
- vi) Ensuring continuous improvement of the quality and value of services provided by the Authority;
- vii) Overseeing continuous achievement of the Authority's operating goals, objectives and performance targets;
- viii) Overseeing the implementation of corporate policies and programmes;
- ix) Maintaining a conducive work environment that is capable of attracting and retaining skilled and motivated employees;
- x) Fostering corporate culture that promotes ethical practices and good corporate governance;
- xi) Acting as the principal spokesperson of the Authority; and
- xii) Any other lawful duties as may be assigned by the Board.

6.3 DIRECTORATES

Analysis of the current and expected future operations of the Authority shows that some closely related functions can be put together to form directorates. Amalgamation of related functions will enhance synergy and will result in efficient and effective management within the Authority. Two directorates are proposed namely;

- i. Technical services
- ii. Finance and Administration

Within a directorate, there will be departments and sections/units. Each directorate will be headed by a General Manager. In addition, there is the internal audit department which reports directly to the Advisory Board. The functions of each directorate are as follows:

6.3.1 Technical services

The directorate will be responsible for the Authority's technical services/activities that include compliance, capacity building, policy and research, and Public Procurement Administrative Review Board Secretariat. Specific functions include:

- i) Formulation and implementation of technical services policies and procedures;

- ii) Ensuring compliance with the PPOA Act;
- iii) Development and distribution of manuals and other standard documents;
- iv) Development of policies, issuing directives as well as providing the necessary advice and assistance to procuring entities;
- v) Dealing with complaints concerning public procurement;
- vi) Undertaking capacity building for public procurement entities;
- vii) Undertaking research on best practices in public procurement and initiating subsequent amendments to the law;
- viii) Identifying appropriate sources for the required procurement data and information and developing appropriate databases;
- ix) Providing regular reports on procurement data and information;
- x) Ensuring that the review board decisions are made within time and that ARB decisions are implemented; and
- xi) Any other lawful duties as may be assigned by the Board.

6.3.2 Finance and Administration

The Finance and Administration directorate will be responsible for the provision of support services that include finance, human resource and administration, information communication and technology (ICT), procurement, legal and corporate communication. Specific functions include:

- i) Formulation and implementation of sound financial, human, ICT, administration and corporate communication policies and procedures aimed at efficient and effective use of funds;
- ii) Accounting for the Authority's financial resources;
- iii) Managing the planning and budgeting process in line with the Ministry of Finance guidelines;
- iv) Developing strategies for sourcing and application of funds;
- v) Implementing adequate financial and Audit controls;
- vi) Procuring goods and services for the Authority;

- vii) Management of human capital in the Authority;
- viii) Management of ICT in the Authority;
- ix) Monitoring and evaluation of the activities of the Authority;
- x) Ensuring efficient utilization of the Authority resources;
- xi) Cultivating a positive image of the Authority; and
- xii) Any other lawful duties as may be assigned by the Board.

6.3.3 Internal Audit department

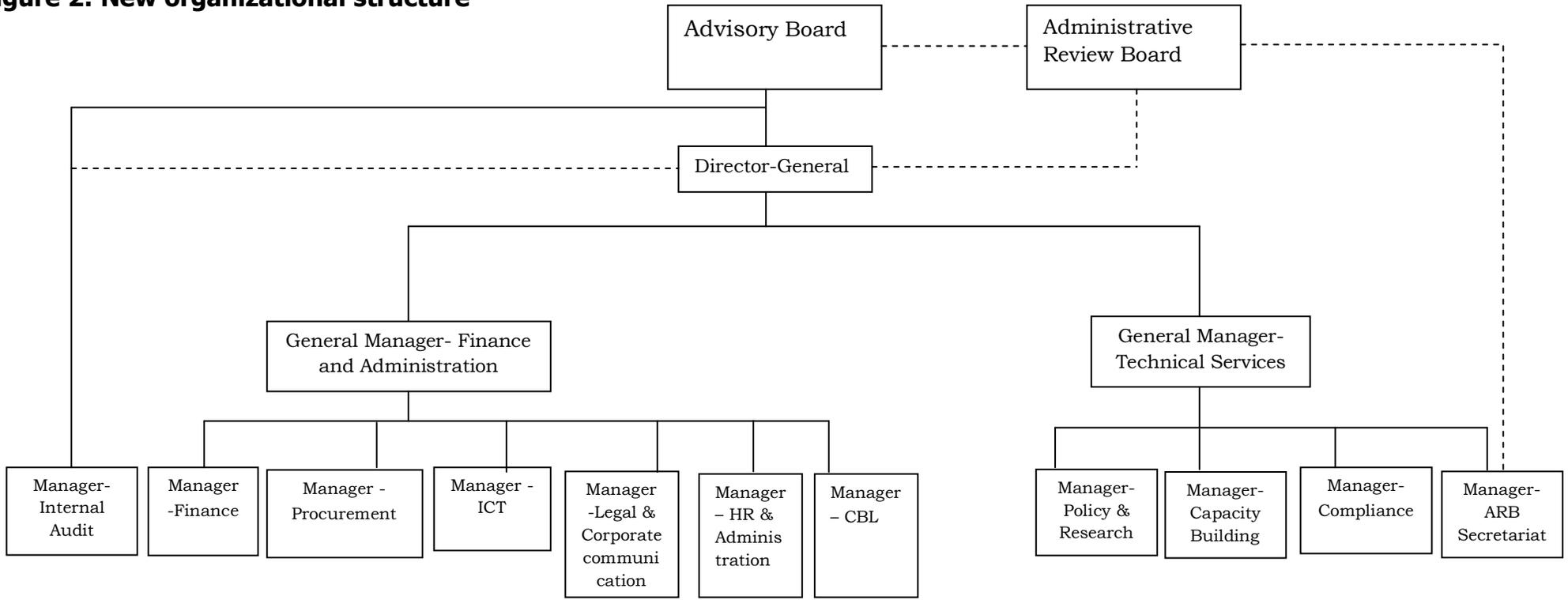
The Internal Audit department will perform the following functions:

- i) Formulation and implementation of internal control policies and systems;
- ii) Carrying out timely and continuous audits;
- iii) Verifying and monitoring of financial transactions of the Authority;
- iv) Vouching and monitoring expenditure;
- v) Carrying out investigations where necessary; and
- vi) Ensuring accuracy of internal management reports.

6.4 ORGANOGRAM

The organogram is shown in Figure 2.

Figure 2: New organizational structure



CHAPTER SEVEN

RESOURCE MOBILIZATION

7.1 FINANCIAL RESOURCE REQUIREMENT

One of the critical assumptions that PPOA is making for effective implementation of this Strategic Plan is availability of required resources. Table 3 shows the projected recurrent budget and a summary of PPOA's resource requirements for the implementation of various strategic plan objectives.

Table 3: Financial Resource Requirements

a. Strategic plan resource requirements per objective		Kshs. "Millions"					
Theme	Objective	1	2	3	4	5	Total
1	1.1: To ensure compliance with the Procurement and Disposal Act, 2005; Regulations, 2006; and PPOA guidelines	15	43.5	20.5	23.5	23.5	116.5
	1.2: To increase the number of annual reviews from 15 to 63 by 2014	17	22	33.5	28.5	33.5	134.5
	1.3: To increase the number of annual assessments from 32 to 97 by 2014	9.5	11.5	26	24	23	94
	1.4: To increase the numbers of PE implementing the internal procurement performance monitoring tool (IPPMT) form 20 to 100 by 2014	5	5	5	5	5	25
2	2 : To build capacity of persons and institutions involved in public procurement	236.9	148.5	142.9	147.9	142.9	819.1
3	3: To strengthen the regulatory framework for public procurement and disposal	33.02	30.5	22.51	7.5	2.5	96.03
4	4:1 To attract, develop and retain qualified and skilled human resources	46	22	10	5	5	88
	4:2 To strengthen performance management in PPOA	11	0.5	0.5	0.5	0.5	13
	4:3 To ensure good corporate governance in PPOA	7	0.5	1.5	0.5	1.5	11
	4:4 To enhance efficiency and effectiveness in service delivery	37.42	123.9	30.9	15.9	5.9	214.1
	4:5 To enhance mobilization and utilization of resources	5	16	1	1	1	24
5	5: To improve corporate image of PPOA	8	17	10	16	13	64
Sub -Total							1,693
b. Projected recurrent and capital budget							
Sub -Total		619	650	683	717	753	3,424
TOTAL							5,117

During the year strategic planning period, PPOA will require approximately Kshs 5.1 billions.

7.2 STRATEGIES FOR RESOURCE MOBILIZATION

To implement the proposed activities, PPOA will put in place resource mobilization strategies which include:

a) Support From the Government

The Government is the major financier to the Authority and PPOA plans to lobby for additional funding from the Government.

b) Non-governmental Support

PPOA will be expected to attract technical and financial support from development partners and private sector.

c) Prudent Management of Available Resources

The Authority will put in place measures to ensure prudent resource management. These will include:

- i. Implementation of efficient and effective processes and procedures.
- ii. Application of ICT in the various processes.
- iii. Contracting out some of PPOA's functions leading to reduction in expenditure.
- iv. Reduction in transport costs by introducing austerity measures.
- v. Stringent financial discipline.
- vi. Savings from anti-corruption efforts.
- vii. Risk assessments.

d) Capacity Building Levy

To enhance its financial capabilities the Authority will operationalise and implement the capacity building levy.

CHAPTER EIGHT

MONITORING AND EVALUATION

8.1 OBJECTIVES OF MONITORING AND EVALUATION

In order for PPOA to attain the goals that it has set, it is of fundamental importance that the various strategies are implemented. Successful implementation of the plan requires sourcing and deploying the requisite resources and putting in place an adequate M & E framework. The M&E framework will enable the Authority to measure performance against set standards so as to ensure effective implementation of the set goals and objectives.

8.2 MONITORING AND EVALUATION FRAMEWORK

The monitoring and evaluation process will involve preparation of annual work plans by each directorate and department. The work plans will be linked to the objectives, strategies and activities as documented in the implementation matrix. In addition, departmental work plans will be cascaded to individual officers work plans which will then be linked to the Authority's performance management system. Further, the following actions will be undertaken to ensure successful implementation of the strategic plan:

- i. Establish a M & E committee comprising of the Director General, General Manager (Technical services), General Manager (Finance and Administration) and the heads of departments to champion implementation of the strategic plan.
- ii. The M & E committee will hold meetings (preferably on quarterly basis) chaired by the DG to review the status of the strategic plan implementation as it relates to the Authority. In addition, cross cutting issues and areas requiring strategy change will be identified and addressed.
- iii. General Manager (Technical services) and General Manager (Finance and Administration) will hold regular meetings (preferably monthly) with departmental heads to review the status of the strategic plan implementation as it relates to their respective directorate.
- iv. The M & E committee will be reporting regularly (preferably quarterly) to the Advisory Board on the progress made towards the attainment of the goals.

- v. The strategic plan will be reviewed annually so as to ensure that necessary changes in the objectives, strategy and activities (informed by new information regarding the Authority or the environment) are effected.

Note: The key performance indicators shown in section 8.3 will provide guidance on more objective review of the progress of the strategic plan implementation.

8.3 PROJECTED KEY PERFORMANCE INDICATORS

Table 3 shows the projected key performance indicators.

Table 3: Key Performance indicators

KEY PERFORMANCE INDICATORS	Years				
	2009/10	2010/11	2011/12	2012/13	2013/14
Number of assessments	40	50	62	78	97
Number of reviews/audits	20	26	35	47	63
No of PEs using Internal procurement performance monitoring tool	20	20	30	50	100
Number of days to dispense a case by the review board	24	23	22	21	21
Number of trained officers	4,000	7,000	10,000	12,000	14,000
Number of consultants engaged to train	10	15	20	22	25
Number of computers procured and distributed to PEs	450	50	50	50	50
Number of monitoring and evaluation programmes training	2	2	3	3	5
Number of days taken to issue written decisions	7	7	7	7	7
Employee satisfaction index	58%	68%	78%	88%	95%
Customer satisfaction index	80	85	90%	92%	95%
Number of PE using E-procurement	-	15	60	100	150
No. of stakeholders forum	4	5	6	7	8
Automation level within Authority	65%	70%	75%	80%	85%

