



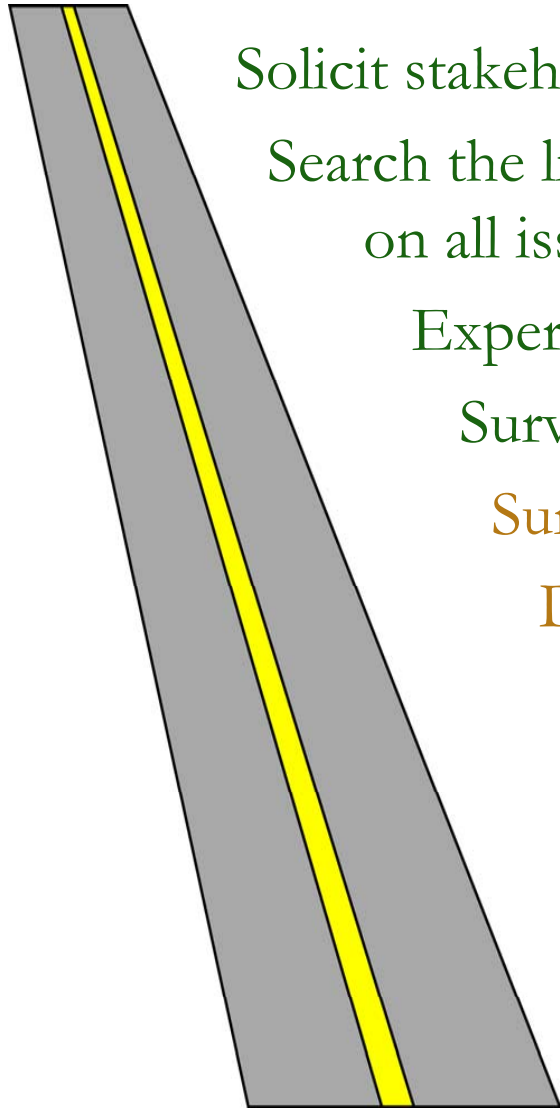
Towards The Development of A Long Term Policy Framework for Public Procurement in Kenya

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Comments and input to madaraogot@uneskenya.com

Road to a Long Term Policy on Public Procurement



Solicit stakeholder memoranda

Search the literature, government documents worldwide on all issues related to public procurement

Experts workshop to solicit views on PP

Survey profit-making public corporations

Survey public-sector procurement entities

Develop four working reports

Draft zero, Long Term PP policy for Kenya

Stakeholders workshop to solicit comments

Final Draft Long Term PP Policy (PPOA)

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Development of Four Working Papers

- Public procurement models, case studies and best practices to benefit the local procurement system.
- Impact on the public procurement and disposal law in relation to
- Profit-oriented public enterprises
- Public procurement in Kenya: Emerging Issues.
- Proposed classification of public spend entities in Kenya based on annual procurement spend

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Public Procurement Models, Case Studies, And Best Practices

- Using Case studies from around the world discussed the following pillars:
 - Value for money
 - Open and effective competition
 - Ethics and fairness
 - Accountability and transparency,
 - Benchmarking/monitoring and evaluation.

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Impact of Public Procurement and Disposal Law In Relation to Operations of Profit-oriented Public Enterprises

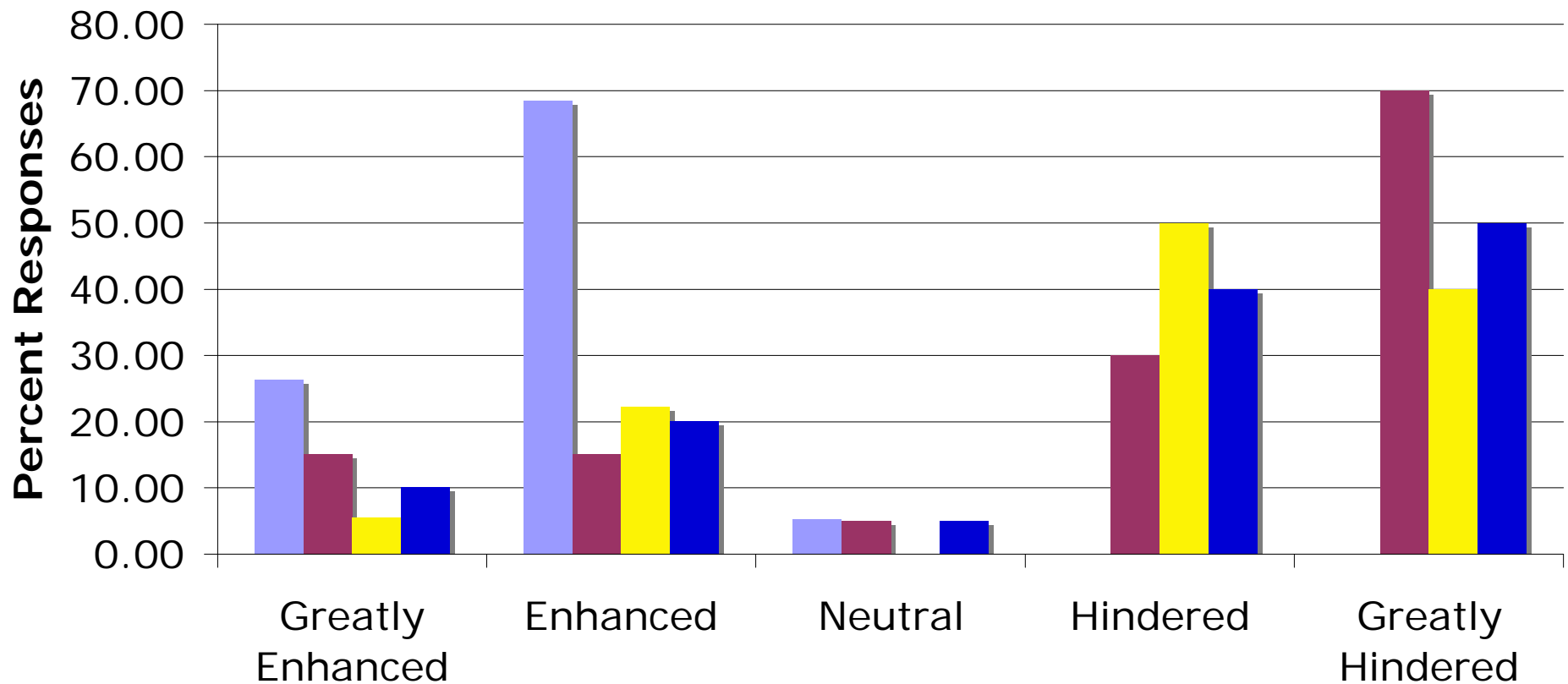
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Study Methodology

- **Research Results**
 - Pointed Questions
 - Positive elements of the Act
 - Drawbacks of the Act
 - Suggested improvements to the Act

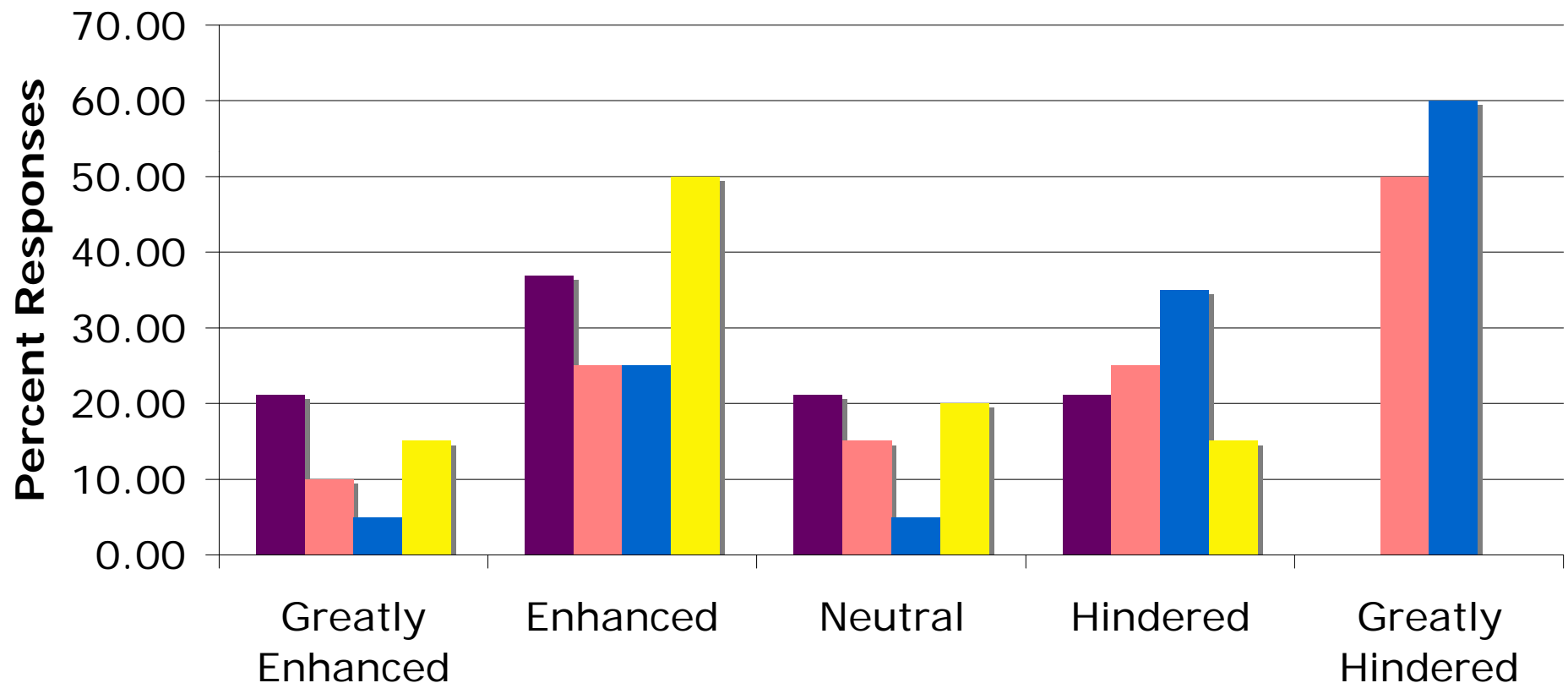
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- Transparency
- Ability to react quickly to business opportunities
- Ability to purchase desired/branded inputs or items for resale
- Ability to bargain with suppliers



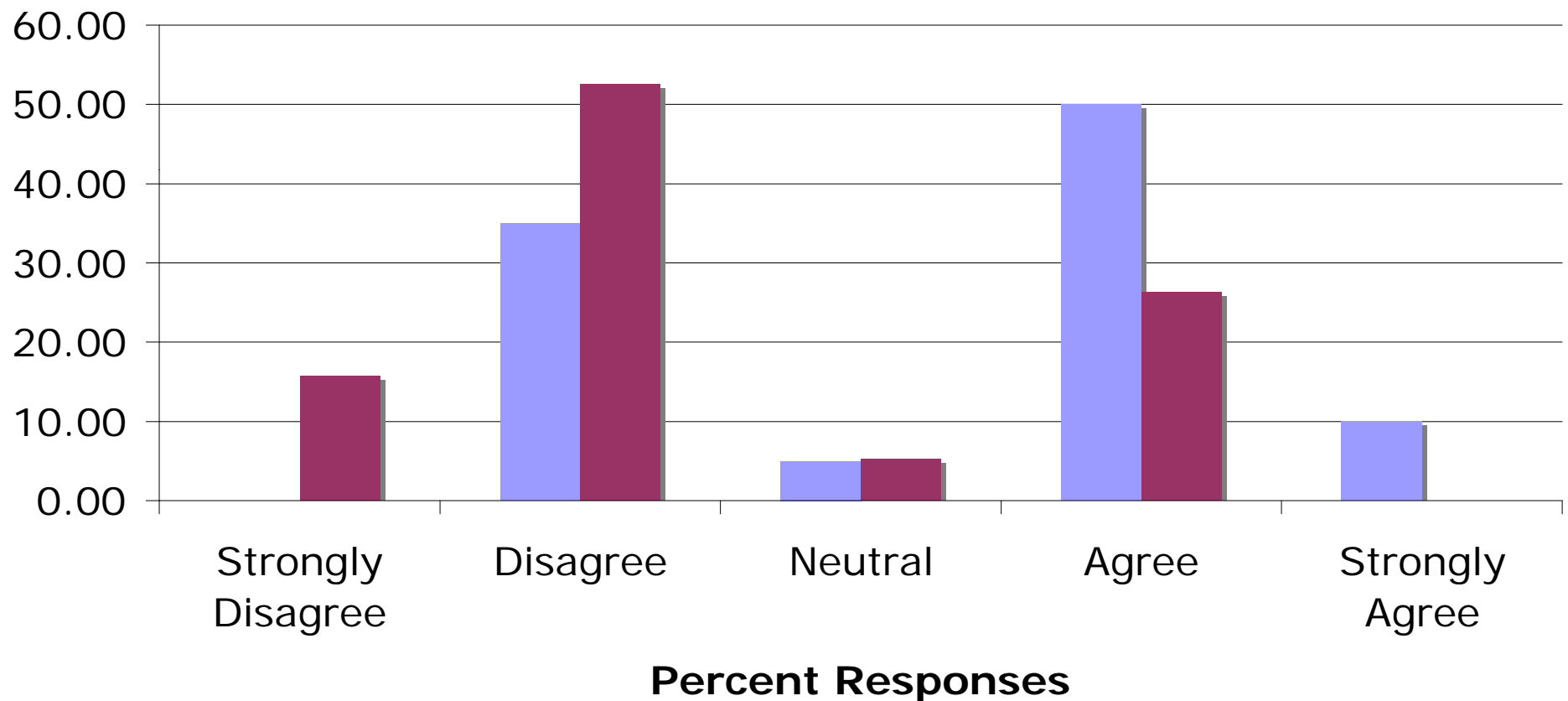
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- Improvement in quality of goods and services rendered
- Ability to negotiate with suppliers
- Ability to form partnerships with private sector players
- Ability to disposal of goods and assets that are no longer required

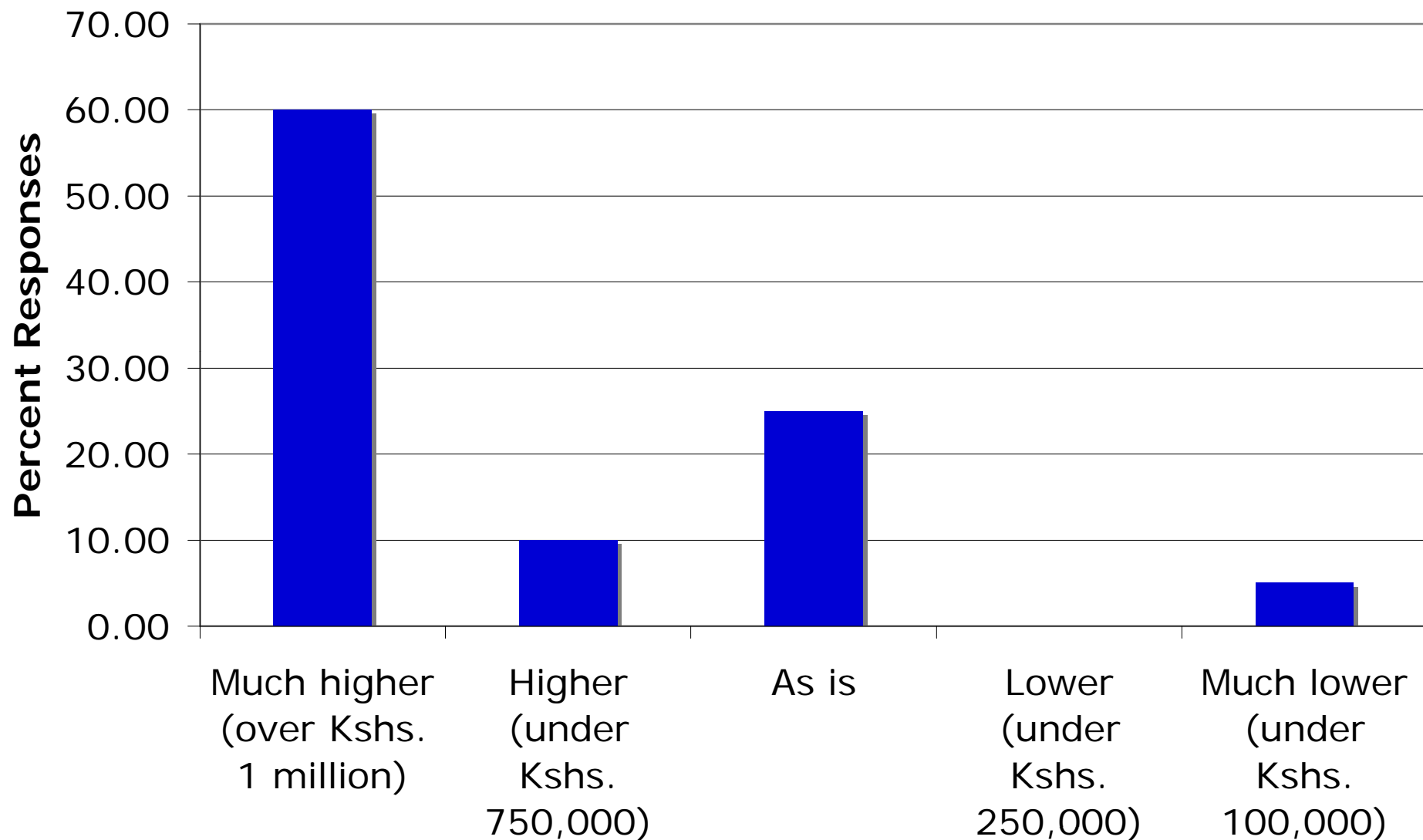


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- Following the Procurement and Disposal Act has resulted in the reduction in average purchase price for goods and services for our organization
- Following the Procurement and Disposal Act has made our company more competitive than our peers in the private sector



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Select Positive Elements of the Act

- Pre-qualification of suppliers.
- Annual Procurement Plans
- Checks and Balances
- Streamlining of the process
- Transparency and Competitiveness

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Select Drawbacks of the Act

- Cost of procurement process
- Time to procure/reaction time to business opportunities
- Negotiation with suppliers
- External Approval Process (to PPOA)
- Resale of branded items.

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Selected Suggested Improvements to the Act

- Thresholds for procurement and Tender Committees
- Holist Approach (not just lowest price)
- Capacity
- Lead times
- Negotiations and Partnerships with suppliers

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Emerging Issues

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Integration of Micro, Small and Medium Enterprises and Rural Areas in Public Procurement

- Steps that can be taken to encourage SMEs
- Promoting SMEs for sustainable development
- Code of Best Practices for Procuring Entities in Support of SMEs

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Selected topics on The Legal Framework

- Legal loopholes of the Act
- Legal Framework with Respect to PPPs
- Dispute Resolution (faster, avoid courts)
- Legal Framework for Inter-Agency Collaboration
- Legal Framework and the Construction Industry

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E-Procurement

There is need to implement as a tool to modernize and improve their Public Procurement systems.

- e-Procurement capabilities
- Development impact of e-Procurement
- Implementation challenges

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Green procurement

- Green procurement practices
 - Practices that Suppliers, service providers and contractors should adopt.
- Advantages of green procurement
- Challenges to green procurement

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Capacity Development

- Professionalism
- Continuous Training and Education
- Capacity Development in Procurement

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Current Outline of Policy

- Introduction
- Clear definition of public procurement
- Concept of Value for Money
- Core Pillars of Public Procurement
 - Accountability and Transparency
 - Competitive Supply
 - Efficiency
 - Consistency
 - Fair Dealing/Integrity/Ethics/SMEs
 - Integration with other policies
 - Legal framework

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Current Outline of Policy

- Core Pillars of Public Procurement (Cont..)
 - E-Procurement
 - Improving business capabilities/outsourcing procurement
 - Recognition of international treaties and interests (EAC/ COMESA/WTO/AGOA)
 - Due process and dispute resolution
 - Publicity/Marketing of policies
 - Green Procurement
 - Professionalism/Capacity building/training and education

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Current Outline of Policy

- Core Pillars of Public Procurement (Cont..)
 - Innovation
 - Procurement aggregation/Prequalification (PPOA)
- Working with suppliers/suppliers charter
- Procurement Organization and Governance
 - Treasury, PPOA
 - Centers of Procurement Expertise (advisory role)
 - Health, Local authorities, tertiary institutions, PPPs, National contracts, CDFs
- Classification of procurement entities
- Public Private Partnerships
- CDF

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Thank-You

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