

REPUBLIC OF KENYA
MINISTRY OF FINANCE

Fin
P.P.P.C.
Cmt
27/6/07

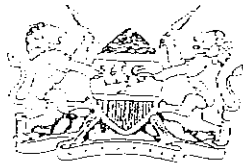
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When replying please quote



THE TREASURY

P.O. Box 30007

NAIROBI

KENYA

TREASURY CIRCULAR NO. 2/2007

18th January, 2007

- To :
- All Accounting Officers
 - All CEO's State Corporations
 - All VC's of Public Universities
 - All Managers, Cooperative Societies
 - All Clerks to Local Authorities
 - All Principals Public Colleges/Schools
 - All Chairmen, CDF Committees

RE: OPERATIONALIZATION OF THE PUBLIC
PROCUREMENT & DISPOSAL ACT, 2005 AND THE
GAZZETTMENT OF THE PUBLIC PROCUREMENT &
DISPOSAL REGULATIONS, 2006.

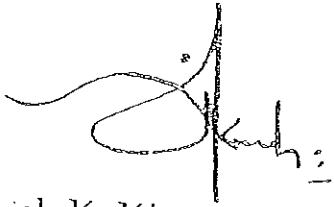
The Government of Kenya has been carrying out Public Financial Management (PFM) reforms in order to enhance transparency and accountability in the utilization of public resources and thus improve service delivery to the public. A major component of these ongoing reforms is in the area of public procurement. A milestone was achieved in this regard with the enactment of the Public Procurement and Disposal Act, 2005. Through powers conferred by the Act, the Minister for Finance has given the Act a commencement date of

Authorization and Countersignature by Treasury

In a departure from past practice where the Public Procurement Directorate (PPD) was granting approvals for the use of procurement methods other than open tender, no such approvals are required under the Act or the Regulations. And with the deletion of Section 8 Government Contract Act, there is no longer a requirement for the Permanent Secretary, Treasury to countersign contracts. It is important to bring to your attention that, under Section 27(2) of the Act, the accounting officer of a public entity is made primarily responsible for ensuring compliance with the law within their organization.

Conclusion:

It is imperative that those charged with the responsibility of spending public resources through public procurement familiarize themselves with the provisions of the Public Procurement and Disposal Act, 2005 and the Public Procurement and Disposal Regulations, 2006 and ensure that these are understood and applied uniformly by all procuring entities. The PPOA stands ready to assist as needed including clarification on the application of the Act and the Regulations.



Joseph K. Kinyua, CBS
Permanent Secretary/Treasury