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PREFACE

The public procurement reforms in Kenya have culminated in promulgation of the Public Procurement and Disposal Act 2005 and the subsidiary legislation entitled Public Procurement and Disposal Regulations 2006 to provide a legal framework for regulating public procurement. The legislative framework provides for oversight functions to be carried out by the Public Procurement Oversight Authority, the Public Procurement Oversight Advisory Board and for an appeals mechanism to the Public Procurement Administrative Review Board.

For ease of implementation of the Public Procurement and Disposal Act 2005 and Public Procurement and Disposal Regulations 2006, the Public Procurement Oversight Authority has prepared a Public Procurement and Disposal General Manual, which provides detailed guidance on general issues in procurement that are not adequately covered by the Act and Regulations. Various sector specific manuals have been prepared to address the sector specific procurement needs.

This Manual addresses specific issues that may arise in Information and Communications Technology (ICT) procurement which are not explicitly addressed in the General Manual.

The procurement processes described in this Manual have reference to the salient provisions of the Public Procurement and Disposal Act and the Public Procurement and Disposal Regulations which should be read together with the Manual. However some of the important general steps leading to effective procurement of Information and Communications Technology requirements have been incorporated.

This Manual has been prepared under authority and direction of PPOA by e-sokoni Consulting as part of the Millennium Challenge Corporation project for strengthening the public procurement system in Kenya. Oversight of the project was undertaken by ARD Inc with funding administered by USAID.

Signature
M.J. Juma
Acting Interim Director General
Public Procurement Oversight Authority
May 2009
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1.0 INTRODUCTION

1.1 This Manual serves as a guide to implementation of the Public Procurement and Disposal Act and the Regulations with specific reference to procurement of Information and Communications Technology (ICT) and is designed to promote effective and efficient procurement of ICT hardware, software and related services in all public sector institutions.

1.2 The Manual describes the functional relationships and internal controls that promote transparency and accountability in the procurement process.
2.0  THE SCOPE OF THE MANUAL

2.1 The procedures in the Manual shall be applied in acquisition of ICT requirements by procuring entities as defined in section 3(1) of the Public Procurement and Disposal Act 2005.

2.2 These procedures shall remain effective until otherwise announced by the Public Procurement Oversight Authority.

2.3 This Manual covers:

2.3.1 ICT needs identification and justification;
2.3.2 Procurement planning and its linkage to budgeting process;
2.3.4 Administration of the complete procurement cycle up to and after formation of a supply contract;
2.3.5 ICT requirements identification and justification;
2.3.6 ICT Outsourcing;
2.3.6 Suppliers performance measurement; and
2.3.7 Evaluation examples and Template Forms.

2.4 The Manual applies to procurement of ICT hardware, software and licensing, systems support services, supporting infrastructure to manage and deliver information, office systems technology, and outsourcing of professional services and communication. Telecommunications and other communications equipment and related software refer to those whose prime purpose is the transmission of data, voice and messages. It is not concerned with the procurement of goods that may include ICT components, such as televisions, vehicles, washing machines, etc, but whose prime function is not ICT. The Manual does not cover e-procurement. PPOA will produce a separate policy guideline on e-procurement to help PEs adopt electronic procurement methods.
3.0 PROCUREMENT STRATEGIES

3.1 The public procuring entities shall acquire ICT at prices that reflect capability and minimize the total cost of ownership.

3.2 Qualified suppliers shall be given equal opportunity to bid for supply of the ICT hardware and services.

3.3 The highest ethical and professional standards shall always be observed in establishing a mutually beneficial relationship with the suppliers and customers (internal and external).

3.4 All procurement of ICT (hardware, software and services) shall be done through competitive public bidding unless an alternative procurement method is justified as provided in the relevant provisions in the Public Procurement and Disposal Act 2005, Public Procurement and Disposal Regulations 2006, the PPOA General Procurement Manual or this procurement manual.

3.5 There shall be a continuous improvement of procurement processes by procurement entities to ensure that the processes are simple, efficient and cost effective.

3.6 Procurement shall be planned to enable prudent management of budgets and value optimization.

3.7 Procuring entities shall endeavour to realize benefits from ICT through framework contracts for supply of hardware together with related software. This will incorporate systems support services such as preventive maintenance and staff training, systems upgrade, additional software installations, additional peripherals and products such as toners for printers to enhance continuity of the services for a reasonable duration consistent with the procurement plan and the budget.

3.8 Procuring entities are to keep abreast with best practice for procurement of ICT through benchmarking with other entities to facilitate continuous improvement of the procedures. This may include sharing of non-confidential information with similar organizations.
4.0 PROCUREMENT OBJECTIVES

4.1 Procure the most cost-effective state of art ICT equipment and services that conform to the current technology

The procurement system should achieve the lowest possible total cost, having regard to the following factors:

a) The actual purchase price;

b) Any hidden costs that arise from poor product quality, hidden defects, and poor supplier performance where a vendor is unable to meet adequately some or all post sales contractual commitments;

c) Optimal operating costs in the course of use of item or service; and

d) The most current and appropriate technology for the users.

4.2 Ensuring timely settlement of supplier’s bills as stipulated in the contract

The procuring entities must ensure that bills are settled in a timely manner to avoid payment of interest on overdue amounts, as provided in section 48 of the PPD Act, thereby discouraging the prevalent overpricing by suppliers to offset potential cost of delayed payments in the public sector.

4.3 Separation of procurement functions and authorizations to enable checks and balances in the procurement process.

Procurement functions and responsibilities such as setting specifications, evaluation and award of tenders should be divided among different offices, committees and individuals, each with the appropriate expertise as provided for in PPD Act Section 26 (3) (c).

4.4 The suppliers’ performance to be evaluated and measured and feedback given to the suppliers

Systematic evaluation and measurement of a supplier’s performance should be undertaken to ensure compliance with the terms and conditions of contract and to enhance remedial measures as stated in section 15.0 on Procurement Performance Evaluation and Measurement of this Manual.

4.5 Automation of the Procurement Process
Procurement processes are to be computerized to the extent possible in order to integrate the operations between Procurement Units and the potential beneficiary of the services. This will speed up routine transactions and communications within and outside the PE.

These will include:

a) Communication to and from suppliers using telephones, emails, interactive website including tenders and procurement information sharing;

b) Communicating with internal users on emails, telephones and electronic notice boards including diary and meetings management;

c) Instituting process automation and simplification using ERP systems; and

d) Automation of internal procurement process controls such as approvals, payments, confirmation of receipt of products and services, tracking of procurement process deliverables etc.

4.6 Observing ethical practices in procurement

Procurement should be ethically and efficiently carried out as provided for in the provisions of the PPD Act, PPD Regulations, PPDGM, and this Manual. This will help obtain the best value for expenditure incurred by the procuring entities.

4.7 To maintain sound inter-departmental collaborations

Collaboration within the departments and participation by relevant disciplines is required in order to encourage professionalism in ICT procurement.

4.8 Select reliable suppliers of high-quality ICT equipment and services

Effective assessment and subsequent selection of capable suppliers is vital to the success of the procurement process for ICT needs. For providers of high value spend and sensitive ICT needs, the PE may consider using a comprehensive supplier appraisal template similar to the one provided in Appendix B of this Manual. Supplier selection should be in line with the procedures stated in Section 9.2 of this Manual.

5.0 ICT NEEDS IDENTIFICATION AND JUSTIFICATION

5.1 Defining ICT needs
The need to procure ICT hardware, software, services and supporting infrastructure should be driven by the PE’s information and communications technology needs. Existing hardware, software and infrastructure should be taken into consideration when defining additional ICT needs for procurement. The PE should develop a process that identifies these needs across the organization using either internal ICT experts or hired consultants. The PE may have recourse to the GITS and e-Government departments for advice and direction in defining ICT needs, which may also be a cheaper option compared to seeking external consultants. The ICT support services include those outlined in sub-sections 5.2 to 5.9 below.

5.2 Data Processing

Data processing services cover the automated collection, storage, manipulation and retrieval of data including: central processing units for micro, mini and mainframe computers; related peripheral equipment such as terminals, document scanners, word processors, intelligent copiers, offline memory storage and printing systems, data transmission equipment; and related software such as operating systems, library and maintenance routines and applications programs.

5.3 Telecommunication

Telecommunication includes voice, data, message and video transmissions. It also includes the transmission and switching facilities (e.g. PABX) of public telecommunications systems, as well as operating and network software, e.g. cell phones and other telephone systems.

5.4 Office Systems Technology

Office systems technology includes office equipment such as photocopying machines, paper forms and records; microfilm and microfiche equipment and printing equipment and services.

5.5 Professional Services

These include the provision of consultancy assistance for any aspect of ICT systems, networks and database services which may include design, development and related activities for implementation of ICT applications. Procedures for the procurement of
consultancy services are covered in Chapter 8 of the Public Procurement and Disposal General Manual.

5.6 Hosting services
These are agreements with third parties to host ICT hardware supporting infrastructure, applications or operational functions related to hosting.

5.7 Software and Licensing

5.7.1 The need for software should be justified as the best solution to the problems already identified by the entity and the selection should not merely be guided by the fact that the technology has been used by other organizations, because it may not provide the most effective solution.

5.7.2 Licensing should form an integral part of software procurement since it generally forms a substantial portion of the total cost of ownership:

i) For licensed software the manufacturer normally sets out the conditions of usage. Failure to adhere to these may lead to revocation of use of the software at any time with or without specification of the cause.

ii) Each PE must ensure compliance to licensing requirements. Anything less than total compliance places the PE at risk of license revocation with attendant consequences.

iii) It is prudent for the PE to discuss and agree with ICT vendors the licensing terms to be applicable in case of software upgrades.

iv) PE must develop and issue a code of conduct for all users of its ICT equipment to ensure compliance with software licensing requirements and to avoid unauthorized loading of unlicensed software onto the PE’s ICT equipment.

v) Each PE needs to control employees’ and third parties’ access to its ICT equipment to prevent licensing violation.

vi) Each PE needs to keep comprehensive and accurate records of it software licenses for any authorized inspection by copyright enforcement agencies.

vii) The PE must fully understand the terms of license, which can be very complex for larger PEs. Explanation of terms can be obtained from vendors or over the Internet from software developers’ websites.
5.7.3 Funding should be made available for the purchase of the software and the requirements for its use such as special training, peripheral hardware, add-on software, maintenance contracts in the budgeting and procurement planning processes.

5.8 Hardware

The hardware needs should take the following factors into account:

5.8.1 The solutions which are to be addressed within the entity ought to be compatible with the requirements of the software selected.

5.8.2 The warranty options and durations should be included in the procurement contract to ensure that the hardware serves effectively and efficiently for the projected economic life span.

5.8.3 Sufficient funds must be identified through budgeting and procurement planning processes.

5.8.4 Maintenance and systems support should be factored into the bidding document and subsequently in the contract so that the efficient functioning of the hardware and software can be assured.

5.8.5 The central procuring institutions should arrange for maintenance of the centrally procured hardware that have been distributed to the districts.

5.8.6 In case of additional or new ICT procurement, installation and integration of the new systems should be carefully considered and provided for to ensure compatibility.

5.9 ICT Services Outsourcing

5.9.1 What ICT outsourcing entails

a) ICT outsourcing focuses on hiring a third-party company or service provider to do ICT-related activities such as hosting, applications management and development, data center operations, or testing and quality assurance.

b) Since most business processes include some form of automation, ICT enables these services to be performed easily. Complex ICT solutions can be outsourced if in-house capability and capacity are inadequate.
c) However, business cases underlying the decision to outsource vary from transaction to transaction and are subject to change at the same rate as the technology itself. The justifications should therefore encompass the precise determination of what is to be outsourced and the best way to manage the process and structuring the outsourcing relationships.

5.9.2 Examples of ICT services that may be outsourced

A number of ICT services within a PE’s business processes may be outsourced subject to a sound business justification being developed and approved by the Accounting Officer.

a) ICT services that may be outsourced include but are not limited to the following:
   i) Systems infrastructure transformation or ICT architecture upgrade;
   ii) Application management and host services, data base services, firewall services (including intrusion detection), network monitoring and tape back-up;
   iii) Data management services;
   iv) Web development;
   v) Application support and administration;
   vi) Software development and software integration; and
   vii) ICT Procurement.

b) As one defines the scope of the services to be outsourced, one should also define the scope of those that should be retained and performed within PE’s administrative and legal responsibilities.

5.9.3 ICT Institutional and Regulatory Issues

The PEs should take into account any institutional and regulatory issues that may be in place before the outsourcing decision is made. Such issues may include:

a) Data Privacy;

b) Proprietary rights; and

c) Laws and Government policies.

5.10 ICT Training

Many ICT equipment and services may be complex to use for first-time users. Even common user items like computers, laptops, cell phones, and office support software
may require special skills to enable users to effectively make use of the items or services. In addition, this is an area in which frequent and rapid technological changes or upgrades lead to introduction of new equipment and services which may not be easy to use. For this reason, Procuring Entities need to plan their ICT training requirements as a matter of priority. This may be in the form of either new or refresher training. Training for ICT can be expensive and time consuming and it must therefore be properly planned, budgeted and carefully procured. The distance between the PE/Users and the ICT service provider/trainer should be considered.

5.11 Leasing ICT Equipment

There is a trend by organizations to lease ICT equipment as an alternative to outright purchase. Whether a PE decides to buy or lease ICT equipment depends on a number of factors. Each PE is unique and faces different business and financial challenges and the decision to buy or lease business equipment must be made on a case-by-case basis.

a) Leasing equipment can be a good option for PEs who have limited capital or who need ICT equipment that must be upgraded every few years, while procuring ICT equipment can be a better option for established PEs or for equipment that has a long usable life.

b) Leasing ICT equipment preserves capital and provides flexibility but may cost more in the long run since vendors seek to recover costs to replace the leased equipment.

c) The primary advantage of leasing business equipment is that it allows the PE to acquire assets with minimal initial capital expenditures. Because equipment leases rarely require a down payment, a PE can obtain the goods it needs without significantly affecting its cash flow.

d) Another financial benefit of leasing equipment is that the PE’s lease payments can usually be deducted as business expenses on the PE’s tax return, thereby reducing the net cost of the lease.

e) Leases are usually easier to obtain and have more flexible terms than loans for buying equipment. This can be a significant advantage if you have bad credit or need to negotiate a longer payment plan to lower your costs.

f) Leasing will allow a PE to effectively address the problem of obsolescence and disposal challenges. If a PE uses lease to obtain ICT equipment which may become outdated in a short period of time, the burden of obsolescence is borne by the lessor. The PE can then lease new, higher-end ICT equipment after the lease expires.
6.0 PROCUREMENT PLANNING

6.1 Introduction

6.1.1 The procurement plan is an instrument for implementation of the budget and should be prepared by the user departments with to ensuring that its procurement requirements are accurately reflected in the budget.

6.1.2 The procurement plan must be integrated with the budget processes based on the indicative or approved budget as stipulated in Regulation 20 (2) of the Public Procurement and Disposal Regulations 2006.

6.1.3 Budgets as well as procurement plans are to be based on realistic cost estimates derived from the market research database which is to be compiled and updated regularly by the Procurement Unit in line with Regulation 8 (3) (z) of the PP&D Regulations.

6.1.4 The user departments’ ICT requirements ought to be included in the procurement plans which are to be consolidated by Procurement Unit in order to secure a budgetary allocation.

6.1.5 The user departments should prepare the plan within timeframe set administratively within the PE to enable consolidation and submission of the same by the Procurement Unit to the Head of Procuring Entity for approval at least 30 days before the close of each financial year, as stipulated in Regulation 20 (4) of the PPD Regulations, to provide for adequate lead times required to procure the requirements.

6.1.6 The departmental/ sectional procurement plans shall be consolidated by the Head of Procurement Unit to produce an institution’s corporate procurement plan.

6.1.7 The Procurement Unit should verify the departmental/ sectional procurement plans to ensure that they are representative of the operational requirements of the institution and subsequently forward the same to the Head of Procuring Entity for approval.

6.1.8 The plan should not be implemented before approval by the Head of Procuring Entity.
6.1.9 The inputs for a procurement plan are derived from corporate or departmental work plans and project plans as well as the Procurement Unit’s inventory plan for recurrent demands.

6.1.10 The procurement plan covers what, how, when and from where the requirements for implementation of the plan stated in sub-section 6.1.7 above are to be procured.

6.1.11 The contents of a procurement plan should adopt the format provided in the Appendix (A) of this Manual.

6.2 Procurement Planning Procedures

6.2.1 The department shall prepare the procurement plan for the entire year and/or the multi-year requirements for goods and services.

6.2.2 Multi-year procurement plans may be prepared and be integrated into the Medium Term Expenditure (budgetary) Framework (MTEF) for all requirements in general and for Information Communication Technology services in particular.

6.2.3 The departmental procurement plans are to be consolidated and forwarded to the Head of Procuring Entity at least 30 days before the end of each financial year.

6.2.4 The section of the plan that covers Information Communication Technology should include but not be limited to the following:

a) A general description of the ICT Equipment (Hardware) complete with peripheral where necessary, and software or services;

b) Support services such as systems installation, hardware installation, commissioning, testing and staff training;

c) Any other inputs that would contribute to ownership cost such as foreseeable systems upgrade due to expansions of users or change in technology;

d) Preventive maintenance of existing hardware after elapse of warranty period;

e) An estimate of costs of all the above;

f) The budgets available and sources of funds;

g) Procurement method;

h) A breakdown of types of goods and services;

i) A schedule of planned delivery, implementation or completion dates;

j) An indication and justification of whether procurement shall be undertaken within a single year or under a multi-year arrangement;
k) An indication of which items can be aggregated for a procurement of a single package or for procurement through any applicable arrangement for common user items;  
l) An indication of which items will be packaged into lots;  
m) Type of contracts; and  
n) Time frame for the subsequent activities such as:  
   i) Preparation of Terms of Reference and Scope of the Services: in case of two stage procurement this would entail invitation for expressions of interest leading to short listing of suppliers and invitation to provide RFP;  
   ii) Preparation of bid document;  
   iii) Submission of bids;  
   iv) Evaluations;  
   v) Award and signing of contract; and  
   vi) Delivery and completion of systems installations.

6.2.5 The profile for past procurements validated by the latest market research information provided by the Head of Procurement Unit shall be used to enhance preparation of a realistic procurement plan.

6.2.6 The procurement profile shall provide but not be limited to the following information:
   a) The types of Information Communication Technology procured in the past and their values;  
   b) The procurement methods applied and sources;  
   c) Current sources and their geographical locations; and  
   d) Criticality of performance risks and their potential impact to the PE.

6.2.7 Market research information shall cover but not be limited to the following information:
   a) ICT suppliers and their capabilities;  
   b) Degree and type of competition between the suppliers;  
   c) Technology trends;  
   d) General pricing rates and trend; and  
   e) Foreseeable external environmental factors that would negatively impact on provision the supplies.
6.2.8 The appropriate procurement method shall be selected as provided in the information contained in the market research database and the Threshold Matrix in the Public Procurement and Disposal Regulations 2006.

6.3 Procurement plan and linkage to the Budgeting process

6.3.1 For a budget to be realistic therefore it ought to be supported by the estimated costing of the whole procurement activities broken down as given in the following examples:

**Example 1: Procurement of a server (International Procurement - CIF Terms)**

**Cost elements:**
- Price of the server (CIF) - including insurance and freight up to specified port of entry: Ksh 1,000,000
- Port Charges: Custom Duty (if applicable)
- Handling charges, warehousing
- Based on statutory rates from KPA or KAA as the case may be: Ksh 50,000
- Inland transportation: Ksh 20,000

**Total procurement cost**: Ksh 1,070,000

**Example 2: Procurement of a V-sat satellite (International Procurement)**

**Cost elements:**
- Price of the Satellite (CIP) - including insurance and Freight/carriage up to specified installation point, including port charges: Ksh 10,000,000
- Installation testing and commissioning: Ksh 100,000
- Training of staff on operating the machine: Ksh 50,000

**Total procurement cost**: Ksh 10,150,000

**Example 3: Implementation of an ERP system**

- Component X: Ksh 20,000,000
- Component Y: Ksh 10,000,000
- Component Z: Ksh 5,000,000

**Total Acquisition Cost**: Ksh 35,000,000

6.3.2 The Procurement Unit is to provide market information such as prices, technology, logistics rates for the examples which are stated above in order to
have a realistic budget. The prices in particular may be presented based on the following options depending on the value of the purchase:

a) Use current prices: This will be appropriate for low value items where prices are stable;

b) Adjust the current prices: Applying forecasting procedures to adjust the current prices based on the supply market price trends; and

c) Obtaining current prices from suppliers for budgeting purposes.

The approach at c) can be used for high value capital items such as V-sat satellite under Example 2 above where any variance between budgeted and actual price would have significant effect on the budget.

6.4 Capital Requirements

Capital items typically have a life of several years and hence have a number of costs associated with them beyond the purchase price, for example the operational cost which normally covers maintenance, servicing and training and replacement cost, for instance V-sat Satellite equipment in example 2 above.

In order to budget for total cost of ownership, life cycle costing should be adopted.

\[\text{Life cycle cost} = \text{Cost of Acquisition} + \text{Cost of Ownership}\]

A higher purchase price may lead to lower life-cycle-costs and a lower purchase price may lead to higher life-cycle-costs. It is therefore advisable to select the lowest evaluated offer taking into account the total cost of ownership as reflected in the evaluation criteria stipulated in the bidding document.
6.5 Planning for Equipment maintenance and repairs

a) In order to take care of costs of ownership, provision should be made in the procurement plan for maintenance and repairs and the same should be factored into the budget.

b) Initially the procurement contract may include maintenance with clearly set-out service level agreements for a period of time after the expiry of the warranty period.

c) All ICT capital equipment will be subjected to a preventive maintenance program as well as repairs to ensure prolonged operational efficiency of the equipment.

d) In case an existing procurement contract does not cater for maintenance and servicing, the procuring entity shall appraise and register suppliers in order to establish in advance that they have proven technical expertise to maintain the equipment. The suppliers should preferably be authorized agents for the relevant equipment.

e) Proof of agency by producing manufacturer’s letter of authorization is a mandatory requirement.

f) It is also prudent that the procuring entities plan for disposal and subsequent replacement of such equipment.

6.6 Implementation of Procurement Plan

6.6.1 Unplanned requirements that arise from unforeseen operational needs or changes to the user’s annual procurement plans should be communicated to the Head of the Procurement Unit immediately when such changes occur.

6.6.2 Regular reports on implementation of the plan should include compliance or variances, if any, from the plan and the identified courses of such variances for remedial action.

6.6.3 The report referred to under section 6.3.2 should be prepared by the Head of Procurement Unit and copied to the Heads of Departments including the Heads of Finance or Accounts Department where budgetary variances if any will be analysed for prompt remedial actions.
7.0 SPECIFYING ICT REQUIREMENTS

7.1 Introduction

Specifying requirements should be a multifunctional exercise involving the Procurement Unit, users, ICT specialists within the organization and other parts of Government and to a desirable extent, suppliers of specialized goods and services. The specifications are to be based on performance or functionality.

7.2 Scope and Development of ICT specifications

7.2.1 The specifications need to be prepared in a clear and unambiguous manner covering hardware, software and/or services as the case may be. They should also cover supporting services such as delivery, installation, testing, commissioning, training and service responsiveness required of a supplier where necessary. These specifications need to take into account the most appropriate and latest technology.

7.2.2 For PEs with ICT Departments a cross-functional team should be constituted to develop the specifications for ICT needs. The team should consist of the Procurement Unit, user departments and ICT Department which should coordinate the exercise. For complex ICT purchases, the team may consult the Government Information Technology Services department (GITS) located in Treasury, Nairobi, E-Government Secretariat (www.e-government.go.ke) located in the Office of the President, Nairobi and/ or the ICT Board (www.ict.go.ke) as appropriate.

7.2.3 For a PE that may not have an in-house ICT sections or where these sections are remotely located, advice may be obtained from other PEs through benchmarking, other organizations that have in-house ICT capacity or recognised ICT experts or consultants and service providers in their region.

7.2.4 It is not advisable for PEs to procure ICT needs without proper specifications and support services developed by a competent person as this may lead to purchase of inappropriate equipments and services which may not be supported.
7.2.5 It is the responsibility of the PU to ensure that the specifications developed are clear and complete to enable a competitive response from potential bidders.

7.3 **Use of brand names**

7.3.1 The PPD Act does not permit specification by brand names as provided for in Section 34 (4). However due to need for compatibility with the existing ICT equipment and systems and where there is no other sufficiently precise or intelligible way of describing the requirements, users may prefer compatible systems and equipment and in such cases a brand name may be used provided the words “or equivalent” are used as part of the specifications to avoid restricting competition.

7.3.2 In all cases, technical specifications should include minimum technical characteristics to ensure that compatibility or equivalence result in conformity. Under such circumstances, a preferred equivalence would be evaluated against the technical characteristics in the tender documents to establish conformity. An equivalent requirement should be treated an alternative offer and be accepted for evaluation only if this was provided for in the bidding document.

7.4 **Demonstration and Samples**

When it is difficult to describe the functions of an ICT equipment or system adequately or clearly, potential suppliers may be asked to demonstrate performance of hardware or a system prior to a procurement decision being made.

7.5 **Technical specifications**

Technical specifications will generally include a combination of the following:

a) Physical characteristics (processor size, speed, Random Access Memory etc);

b) Scalability – Able to grow with the enterprise through:
   i) Establishing volume of data transactions in the short, medium and long term and ensure that the equipment, software and services procured would suffice;
ii) Considering the number of users requiring the ICT services during the projected duration of live of the ICT system or services and ensuring licenses required are sufficient;

iii) Giving consideration for value data fields which are dynamic as the business/economy grows by using variable field lengths as opposed to fixed lengths; and

iv) Considering in-build features that allow for future expansion e.g. additional unused disk expansion slots where disks can be plugged in, and allowing for hardware or spare data fields which can be used to define customized data elements.

c) Upgradeability – Capable of being upgraded with change in technology:
   i) Establish that the supplier has proactive arrangements in place for future upgrades e.g. in-house research and development centre; and
   ii) Consider any additional costs for upgrades e.g. licenses, disks, memory etc.
   iii) Problem of reading old data which may be on old media or in old formats must be considered when upgrading hardware or systems and appropriate provisions made to transfer the data to new formats or media.

d) Portability – Capable of running on separate platforms:
   i) In the case of software, establish the number of operating systems that it supports;
   ii) In case of hardware, consider the location and its mode of use as this will determine the required physical size. Mobile users may require laptops while office users may require desktops.

e) Capacity/ Storage Requirements;

f) Compatibility – with existing hardware or software;

g) Interoperability – provide interface feature with other ICT products by considering any existing ICT products that would need to interface with the new products and ensure that features are available for this.

h) Support and Maintenance requirements:
   i) Assess the after sales support available for the products purchased;
   ii) Establish contractual obligations of the supplier and the client. Develop service level agreements clearly indicating penalties for failure to meet obligations;
   iii) Plan to sign a support and maintenance contract once procurement is complete.
i) **Skill Requirements;**
   i) Consider the availability of internal and external skills required to implement and use the ICT equipment, software or services;
   ii) Consider the training required for the effective and efficient use of the ICT equipment, software or service;
   iii) Assess the supplier’s training and development capability.

j) **Carry out cost benefit analysis**
   i) Develop a business case that shows the cost benefit analysis;
   ii) Ensure that the benefits of the hardware/software are more than the costs.

k) **Cost Performance Effectiveness;**
   i) Compare the features provided by the solution offered with the features required by the enterprise;
   ii) If the solution provided meets most of the requirements, then find out if the missing features can be easily customized.

l) **Business Fitness – provides real solutions to the running of the enterprise;**
   i) For hardware ensure that the technology is current and support for it is available into the foreseeable future;
   ii) Obtain references from other enterprises using similar hardware;
   iii) Wherever possible talk to the hardware manufacturers or read their brochures;
   iv) For software, ensure it can run on current state of art hardware.

m) **Technology Fitness – Provides and supports current state of art technology;**

n) **User Friendliness – easy to learn and use;**

o) **Cost of Migration;**

p) **Operational requirements**

---

7.6 **Technical Alternatives having regard to PPD Regulation Reg 38 (a)**

7.6.1 **Bidders wishing to offer technical alternatives to the requirements specified, if allowed by a procuring entity and so stated in the bidding documents, must submit a bid that complies with the requirements of the bidding documents, including the minimum technical design.**

7.6.2 **In addition to submitting the basic bid, the bidder shall provide all information necessary for a complete evaluation of the alternative by the**
Procuring Entity, including technical specifications, breakdown of prices, and other relevant details. Only the technical alternatives, if any, of the lowest evaluated Bidder conforming to the basic technical requirements shall be considered by the Procuring Entity.

7.6.3 Allowance of alternative bids may be particularly suitable for ICT needs procurement due to rapid and frequent technological changes necessitating upgrades or replacements.

7.7 Physical, virtual characteristics

These types of specifications are often used to design site and disaster recovery requirements. Examples include space, capacity and backup requirements.

7.8 Service specifications

Service level Agreements must be specified with corresponding penalties for failure to meet set service levels.

Example: The time taken to respond and resolve to a service request e.g. when an ICT equipment or system fails.

7.9 Specifying testing and inspections

7.9.1 In addition to specifying performance it may be in some cases prudent to specify testing and inspection requirements in order to derive confidence in the delivered product.

7.9.2 The following options of testing and inspection approaches can be used:
   a) Review and or approval at the design stage including quality assurance documentation;
   b) In-process inspection;
   c) Pre-shipment inspection; and
   d) Acceptance testing at the time of receipt, installation and /or commissioning.

7.9.3 In each case the procuring entity must specify the testing method and procedures to be used. The specific criteria with which to evaluate the result of the test and the party responsible for the costs of testing should be stated too.

7.9.4 Standardization of hardware may be resorted to by a PE where it is established that it would be cost effective to do so without restricting competition.
7.10 Specifying Software

7.10.1 Pre-loaded Software
The PEs should specify pre-loaded software instead of leaving it to for the supplier to decide.

7.10.2 Load software via a disk image
For large purchases and subject to a cost benefit analysis done, it may be beneficial to purchase “bare hardware” and load software via a disk image.

7.11 Donated Equipment
Language barrier can be a problem with donated equipment whereby they arrive with languages foreign to the user with respect to that used in the manuals or on the screen of the equipment. The PEs should specify their needs to donors even as they seek solution for their needs. The hardware should be accompanied by relevant software licenses.
8.0 CHOICE OF PROCUREMENT METHODS

8.1 Open Tender Method

The preferred procurement method is open tender pursuant to section 29 of the PP&D Act 2005. The details of how open tender should be conducted are contained under Part V of the PP&D Act 2005. However, where open tendering is not the appropriate method, the Act provides for use of alternative procurement methods subject to fulfilling the conditions provided under Part VI of the PP&D Act 2005.

8.2 Alternative Procurement Methods

8.2.1 Where open tendering is not feasible and justified under Part VI of the PP&D Act 2005 and included in the procurement plan, a procuring entity may use the following alternative procurement methods as provided in the PPD Act and Regulations:

a) Restricted tendering;
b) Direct procurement
c) Request for proposals;
d) Request for quotations;
e) Procedure for low-value procurements; and
f) Specially permitted procurement procedure.

8.2.2 Further guidance on the use of open and alternative procurement methods can be found in the Procurement and Disposal General Manual.

8.2.3 Special mention is made of use of specially permitted procurement procedures with regards to procurement of ICT. This procedure may be used for complex ICT infrastructural contracting which may entail mobilization of private sector resources for the purpose of public financing resulting into private/public sector partnerships such as concessioning.
9.0 SELECTION OF ICT SUPPLIERS

9.1 Introduction

9.1.1 The Procurement Unit shall register ICT suppliers through capability appraisal in order to compile and maintain a database or for award of contracts for supply of specific requirements. The above covers two types of selections as stated under sub-sections 9.2.1 and 9.2.2 below.

9.1.2 It worth noting that although there are a steadily growing numbers of ICT vendors for equipment and services, these are mainly concentrated in the big cities and towns. For PEs located in remote parts of Kenya, the PU has to take care that the limited local presence of vendors does not limit or restrict competition when undertaking registration of suppliers.

9.2 Suppliers selection phases

9.2.1 Registration of Information Communication Technology suppliers
Registration of suppliers is to be preceded by appraisal of potential suppliers through analysis of responses to questionnaires for registration in accordance with Regulation 8 (3) (a) of the Public Procurement and Disposal Regulations.

9.2.2 Pre-qualification of the suppliers
The pre-qualification of Information Communication Technology suppliers shall be undertaken pursuant to Regulation 23 of the Public Procurement and Disposal Regulations 2006 to enhance short listing of the suppliers for specific procurements. The standard document for pre-qualification shall be used but may be modified as appropriate.

9.2.3 Sourcing of offers by procurement methods other than Open Tendering
Solicitation for offers through alternative procurement methods pursuant to Part VI of the Public Procurement and Disposal Act 2005 may be carried out from the database of pre-qualified and/or registered suppliers, as appropriate.

9.2.4 Qualification of the Suppliers

For a supplier to qualify for selection to provide specified goods or services or to be registered as a potential supplier, the following evidence should be provided:

ii. Evidence that the supplier has substantial involvement and experience of ICT;

iii. Experience in provision of the ICT goods or services of similar nature and value and brief information about such contracts, contracts underway or contractually committed; and names and addresses of clients who may be contacted for further information on those contracts;

iv. Reports on financial standing of the bidder, such as profit and loss statements and auditor’s report for the past three years’ performance;

v. Evidence of adequacy of working capital for the contract (access to credit and availability of other financial resources);

vi. Authority to the Procuring Entity to seek references from the bidder’s banks;

vii. Information regarding litigation history, in which the bidder is involved in, the parties concerned and the nature of the disputes at hand;

viii. Any proposal for sub-contracting components of the services and the percentage of the value of the contract (where the scope if the procurement may warrant engagement of subcontractors); and

ix. The value of other contracts currently being managed.

9.2.5 Selection of Outsourced ICT service provider

The general appraisal and prequalification criteria:

a) Demonstrated reliability, integrity and reputation;

b) The entities to which the vendor is currently providing ICT services and whether such services form part of the scope of the required services;

c) The end users served in those entities (e.g., employees, customers; suppliers, independent consultants);

d) Existence of outsourcing/ sub-contracting arrangements that cover the same services and cost if any associated with the technology of managing those relationships;

e) Transferability of assets or intellectual properties to the PE; and

f) The other information in the vendor appraisal examples in the Appendix B of this Manual.

9.2.6 Approval of award of contract by Tender or Procurement Committee
Considering the submissions made by procurement unit the Tender Committee or Procurement Committee may approve the selection of the successful tender or proposal based on recommendation by an evaluation committee or procurement unit respectively. As stipulated in regulations 10, 11, 12, 13 and 14 of the PPD Regulations.

9.2.7 Framework contracts

a) One of the types of contracts that a PE may enter into after award action in sub-section 9.2.6 above is a Framework Contract. Framework Contracts are arrangements whereby one or more companies are contracted to provide services for a period of one or more years at an agreed price or pricing formula. The users draw from the contract as and when the services are required.

b) Framework contracts are particularly suitable for services that are required on a regular basis, to enhance continuity of the services for a reasonable duration consistent with the procurement plan and the budget. The services may include:

i. Supply of hardware, software, systems support services such as preventive maintenance and staff training;

ii. Systems upgrade, additional software installations, additional peripherals;

iii. Consumable products such as toners and cartridges.

c) The PPOA will be issuing guidelines on the procurement of framework contracts.

9.2.6 Supplier’s Past Performance

Selection of ICT vendors should take into consideration previous performance history, where records are available. Good performance by a vendor in past ICT contracts may influence decisions for award of new business, while poor performance may reflect negatively, thereby reducing chances of award of future business with the PE. PEs should check regularly with PPOA for blacklisted ICT vendors so that bids are not considered from such blacklisted vendors.
10.1 Opening of Bids

10.1.1 The procuring entity shall open bids including modifications or withdrawals submitted before the deadline for submission at the time and in the place specified in the tender document and the solicitation notice in the presence of the bidders’ representatives who choose to attend.

10.1.2 The bids so opened shall be initialled by the members of the opening committee. The names of the bidders, bid security (if so required), withdrawal, and any other information deemed necessary shall be read out aloud and opening minutes prepared accordingly.

10.1.3 In case of submissions of bids in two envelopes (technical and financial in separate envelopes) as specified in the tender document, the technical envelopes shall be opened first and the financial envelopes marked with opening identity number of the technical envelope and set aside for opening later in the presence of the bidders whose technical bids qualify in accordance with the stipulated evaluation criteria.

10.2 The general qualifications that would form the basis for evaluation

The following factors should be taken into account during bid evaluation:

a) Suppliers’ economic standing;

b) Suppliers’ legal standing;

c) Suppliers’ relevant past experience in execution of similar contracts; and

d) Responsiveness to the tender’s technical requirements.

10.3 Specific qualifications selection criteria for evaluation of outsourced service provider

The criteria for selection of the provider of outsourced services should be as specific as possible by adding the following criteria to the general qualifications stated in subsection 10.2 above:

a) Ability to support and manage the PE’s short and long terms ICT needs;

b) How the proposal would improve management of resources and total costs

c) Ability to provide continuous, measurable and improved services;

d) Transition approach and plan e.g. technical and employee’s transition;

e) Cost-effective access to new technologies; and
f) The capability to provide other services such as re-engineering.

10.4 Preliminary Examination of Bids

Prior to detailed evaluation of the bids, the Evaluation Committee shall determine whether each bid is properly signed, accompanied by the required securities and meets other requirements in Regulation 47 (1) of the Public Procurement and Disposal Regulations, 2006.

10.5 Technical Evaluation for RFP

10.5.1 The Technical Evaluation Committee shall evaluate the bids in accordance with the provisions of the Public Procurement and Disposal Regulations 49 (1) and (2) to determine bidders' compliance with the technical evaluation criteria and therefore whether the bid is substantially responsive.

10.5.2 A substantially responsive bid is a bid which conforms to all terms and conditions specified in the bidding document, without material deviation or reservation.

10.5.3 A material deviation or reservation is one which would affect in any substantial way the scope, quality or performance of the proposed contract, which would limit in any substantial way, inconsistent with the bidding documents, the PE’s right or the bidders obligations under the contract or whose rectification would affect unfairly the competitive position of other bidders presenting substantially responsive bids.

10.5.4 If a bid is not substantially responsive, it will be rejected by the PE and may not be subsequently made responsive by correction or withdrawal of the nonconforming deviation or reservation.

10.6 Technical Evaluation of Software and ICT Related Services

10.6.1 The evaluation committee shall carry out the evaluation of technical bids by following the criteria set out in the tender document.

10.6.2 No criteria other than those stated in the bid documents shall be used.
10.7 Technical Evaluation by Marking Scheme

When the Request for Proposals (RFP) procurement method is used, a marking scheme may be used for each feature in the technical evaluation. Under this scheme, the technical and financial weights for points shall be decided in accordance with the significance of the technical or financial factor for a particular procurement as provided in the example in sub-section 10.7.1 below:

10.7.1 Example of weighted Scores:

<table>
<thead>
<tr>
<th>Weight</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical</td>
<td>70</td>
</tr>
<tr>
<td>Price (Financial)</td>
<td>30</td>
</tr>
</tbody>
</table>

10.7.2 A Example of Assigning of Weights to Evaluation Criteria

<table>
<thead>
<tr>
<th>The non-price criteria and their relative weightings</th>
<th>Weights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understanding of the engagement</td>
<td>10</td>
</tr>
<tr>
<td>Personnel</td>
<td>5</td>
</tr>
<tr>
<td>Recent experience in similar engagements</td>
<td>5</td>
</tr>
<tr>
<td>Method statement</td>
<td>15</td>
</tr>
<tr>
<td>Methodology for managing sub-consultants</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total non-price weighting</strong></td>
<td><strong>40</strong></td>
</tr>
</tbody>
</table>

10.7.3 Example of Scoring (Technical) Non-price criteria

Team members will score each tender for each criterion separately and subsequently reach consensus on scores.

Each non-price criterion will be scored out of 100 using the following scaling:
Comments against each criterion

<table>
<thead>
<tr>
<th>Scaling</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Meets all requirements of the tender</td>
<td>100</td>
</tr>
<tr>
<td>Meets most requirements of the tender</td>
<td>90</td>
</tr>
<tr>
<td>Meets many of the requirements of the tender</td>
<td>80</td>
</tr>
<tr>
<td>Meets a number of the requirements of the tender</td>
<td>70</td>
</tr>
<tr>
<td>Meets the minimum requirements but only just satisfactory for this criterion</td>
<td>60</td>
</tr>
<tr>
<td>Fails to meet the minimum requirements</td>
<td>&lt;60</td>
</tr>
</tbody>
</table>

10.7.4 The Technical scoring procedure

A scoring procedure under RFP is illustrated in the following example in the table below:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Tenderer No 1</th>
<th>Tenderer No 2</th>
<th>Tenderer No 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>Weight</td>
<td>Score</td>
<td>Weighted Score</td>
</tr>
<tr>
<td>1</td>
<td>10</td>
<td>90</td>
<td>9</td>
</tr>
<tr>
<td>2</td>
<td>5</td>
<td>70</td>
<td>3.5</td>
</tr>
<tr>
<td>3</td>
<td>5</td>
<td>80</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>15</td>
<td>90</td>
<td>13.5</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>80</td>
<td>4</td>
</tr>
<tr>
<td>Total weighted score (maximum 40)</td>
<td>34</td>
<td>33</td>
<td>31</td>
</tr>
</tbody>
</table>

10.8 Evaluation of Financial bid

10.8.1 After completion of the evaluation of technical bid, the procuring entity shall notify the candidates who have secured the minimum technical score that they have passed the technical qualifications and inform them the date and time set by the procuring entity for opening their financial bids. They will also be invited to attend the opening of financial bids if they wish to do so.

10.8.2 At the same time the Procuring Entity shall notify the candidates whose proposal did not meet the minimum technical score or were declared non responsive.
10.8.3 The notification will indicate that their financial bids shall not be opened and will be returned to them unopened after the completion of the selection and contract award to the successful bidder.

10.8.4 The financial bids shall be opened by the Procuring Entity in the presence of the candidates who choose to attend the opening. The name of the candidate, the technical evaluation result and the proposed charges and/or rates shall be read out aloud, recorded and opening minutes prepared accordingly.

10.8.5 Example of Financial Evaluation

Spread Sheet for Prices for Hardware and/or Software

<table>
<thead>
<tr>
<th>Pricing Factors</th>
<th>Tender No 1</th>
<th>Tender No 2</th>
<th>Tender No 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quantity</td>
<td>Unit Price</td>
<td>Amount</td>
</tr>
<tr>
<td>1 Main Items</td>
<td>880,000</td>
<td>Ksh 1,025</td>
<td>1,074,000</td>
</tr>
<tr>
<td>(Hardware/software)</td>
<td>500,000</td>
<td>Ksh 350,000</td>
<td>400,000</td>
</tr>
<tr>
<td>2 Installation, Commissioning and Testing (labor and materials)</td>
<td>200,000</td>
<td>126,000</td>
<td></td>
</tr>
<tr>
<td>3 Cabling</td>
<td>100,000</td>
<td>130,000</td>
<td></td>
</tr>
<tr>
<td>4 Training</td>
<td>200,000</td>
<td>120,000</td>
<td></td>
</tr>
<tr>
<td>5 Support services e.g. Preventive maintenance (per year)</td>
<td>100,000</td>
<td>140,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,780,000</strong></td>
<td><strong>1,775,000</strong></td>
<td><strong>1,850,000</strong></td>
</tr>
</tbody>
</table>

10.8.6 Calculation of Overall Score

As the lowest financial offer is allocated the maximum price score according to the indicated weighting, the highest technical score should also receive the maximum technical weighting. The technical score of each offer should be calculated according to the formula:

\[ TW \times \text{marks achieved} \]
\[ \text{Highest mark} \]

Where TW = technical weighting

The price score of each offer should then be calculated according to the formula:

\[ PW \times \text{lowest price} \]
\[ \text{Tenderer’s price} \]

Where PW = price weighting
If we take an example where it had been indicated in the tender documents that a 70:30 technical to price weighting would be applied:

Company A submits best technical offer, marked at 85% of maximum technical score, would score 70

Company B submits 2\textsuperscript{nd} best technical offer, marked at 80%, would score

\[
\frac{70 \times 80}{85} = 65.882
\]

Company B submits lowest price of $110m, would score 30

Company A submits 2\textsuperscript{nd} lowest price of $125m, would score

\[
\frac{30 \times 110}{125} = 26.4
\]

The overall score would thus be:

Company A: 70+26.4 = 96.4

Company B: 65.882+30 = 95.882

Company A wins the contract.

However, if the best technical offer is not given the maximum technical score but the proportion of its actual score to the maximum score multiplied by the weighting, as is generally practised in Kenya, a true 70:30 weighting would not have been applied. This could affect the outcome of contract award:

Company A would score

\[
\frac{70 \times 85}{100} = 59.5
\]

Company B would score

\[
\frac{70 \times 80}{100} = 56
\]

The overall score would thus be:

Company A: 59.5 + 26.4 = 85.9

Company B: 56 + 30 = 86
Company B wins the contract.

**10. 9 Recommendation for award**

Under open tendering procedures, tenders shall be ranked according to their evaluated price. The successful tender shall be the tender with the lowest evaluated price in accordance with Section 66 (4) of the PPD Act and Regulation 50 (3) of the PPD Regulations. However, for procurements under RFP procedures, a score shall be assigned to the technical and financial proposal and the successful proposal shall be the responsive proposal with the highest score by combining the technical and financial scores in accordance with the procedures and criteria set out in the request for proposals, in accordance with Section 82 of the PPD Act. A sample evaluation template is provided under Appendix C of this Manual.

**10.11 Specimen Tender Evaluation Summary**

The specimen of the evaluation summary and recommendation for award is provided under Appendix E of this Manual.

**10.12 Specimen Tender Evaluation Summary**

PE may carry out post evaluation of the recommended vendor to validate the qualification information provided by the vendor prior to signing of a contract pursuant to the provisions of the PPD Regulations.

**10.13 Consistent application of evaluation criteria**

No evaluation criteria other than those stated in the bid document shall be used the evaluation.
11.0 INSPECTION AND ACCEPTANCE OF SERVICES

11.1 The Inspection and Acceptance Committee shall carry out its functions as provided in Regulation 17 of the Public Procurement and Disposal Regulations. The essence of this committee’s work is to confirm that the hardware, software and the associated services are delivered by the ICT suppliers in accordance with the specifications and all the other terms and conditions of the contract.

11.2 It is the responsibility of the PU to ensure that the Inspection and Acceptance Committee has members who have adequate knowledge and experience to comprehend and check the conformance and suitability of the products delivered. If such experts are not within the PE, they should be contracted from elsewhere similarly to those to assist the PE is defining ICT needs specifications in Section 7.2 above.
12.0 ICT CONTRACTS ADMINISTRATION

12.1 Most ICT requirements are unique and will often need on-going support services from vendors. In this regard, the vendor may frequently come in contact with the PE’s information and data which needs to be kept confidential. The contract between the PE and ICT vendor should ensure that confidentiality clauses are adequately included to protect the interest of the PE.

12.2 Such clauses should be considered for the working systems which support the PE’s core business processes such as ERPs, office software and telecommunication equipment for which the vendor has to ensure they are not interfered with or spoilt in the course of routine servicing and maintenance. The PE should specify obligations and penalties for the ICT vendor in the event of such damage or loss to the business.
13.0 PROCUREMENT UNIT AND SUPPLIERS PERFORMANCE EVALUATION & MEASUREMENT

13.1 Introduction
Evaluation and measurement of performance of procurement as a function should be undertaken with a view to ensuring that procurement services are effectively and efficiently provided. Measured performance should be the basis for continuous improvement of procurement services to all stakeholders. The evaluation and measurement should be extended to suppliers’ performance.

13.2 The procedures
13.2.1 Key performance evaluation indicators
Performance evaluation and measurement will focus on understanding the extent to which the internal customers are satisfied; understanding the different factors that may be causing problems; focusing attention on priority areas when seeking solutions to problems; and identifying new approaches to improving performance.

13.2.2 Performance measures and targets setting
a) Realistic and measurable targets for key performance indicators should be developed by the Head of Procurement Unit.

b) The targets should be:
   i) Relevant to what the PE is trying to achieve;
   ii) Achievable but aim at reflecting the strategic contribution of the Procurement Unit to the organization;
   iii) Specific and clear to avoid devoting time on wrong things non value adding activities;
   iv) Time bound by including the dates by which the targets are intended to be achieved;
   v) Measurable to be useful and must state how they will be measured.

c) The targets will be reviewed from time to time whenever circumstances warrant such reviews.

13.2.3 Evaluating and Measuring Procurement Units Performance
a) The areas to be covered when measuring the procurement unit’s performance should be based on internal customers’ satisfaction in terms of:

i) Timeliness;

ii) Quality of performance of the service;

iii) Reduction of lead time through procurement process streamlining;

iv) Quality in terms of appropriateness to requirements and avoidance of deviations from set specifications;

v) Cost reduction and cost avoidance; and

vi) Customer service in terms of provision of information and technical support to customers and problem solving.

b) These performance factors should be given scoring weights according to their significance towards achieving the overall performance goal.

c) The performance data should be collected regularly through questionnaire and from internal documentation. Automation of procurement transactions would ease this exercise.

13.2.4 Evaluating and Measuring Suppliers Performance

a) The ICT supplier’s performance may have a positive or negative impact on the Procurement Unit’s overall performance and the same must therefore be incorporated into the performance management programme.

b) Performance gaps if identified will be communicated to the supplier(s) as feedback in order to improve their weak performance areas. The aim of this is to ensure capable and reliable suppliers are engaged.

c) Suppliers who have not improved on their performance despite having been given a chance to do so should be removed from the PEs’ supplier register.

d) Defects if any should be corrected in accordance with the guidelines in the PPDGM.

e) Dispute if any will be resolved in accordance with the dispute resolution procedures in the PPDGM.

13.2.5 Suppliers’ performance measurements
a) The suppliers’ actual performance is to be evaluated to establish their capability against specific performance targets stated in the service level agreement.

b) The performance factors against which the supplier’s performance should be measured include:

i) **Cost** (including price and other costs);

ii) **Quality** e.g. conformance with the set specifications, attainment of service levels, quality improvement initiatives;

iii) **Timeliness** - that is performance of the activities in the Activity Schedule within the agreed timeframes;

iv) **Responsiveness** to queries and effectiveness of provision of customer service.

c) The factor should be assigned weight for the purpose of objective point scoring which is dependent on the significance of the factor in respect to a particular procurement as shown in the example on the table below:

<table>
<thead>
<tr>
<th>FACTOR</th>
<th>WEIGHT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>40%</td>
</tr>
<tr>
<td>Quality</td>
<td>30%</td>
</tr>
<tr>
<td>Timeliness</td>
<td>20%</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

**Example of weight applied to supplier performance factors**

14.0 **DISPOSAL OF ICT EQUIPMENT**

14.1 **Compliance with the PPD Act, the Regulations and NEMA Guidelines**

a) Disposal of stores and equipment that have been rendered unserviceable, obsolete and surplus is to be carried out in accordance with the provisions of
Part X of the Public Procurement and Disposal Act 2005 and the Regulation 92 and 93 of the Public Procurement and Disposal Regulations 2006.

b) An employee in charge of unserviceable, obsolete or surplus ICT equipment shall bring the matter to attention of the Disposal Committee as stipulated in section 129 (1) of the PPD Act. Reasons for disposal may arise from multiplicity of reasons such as change in technology, lack of scalability to cater for expanded usage or being uneconomical to maintain or any other justifiable technical reasons.

c) Computers have components such as the battery and parts of the monitor which can be hazardous if not properly and safely disposed. The disposal methods used must therefore be in accordance with the NEMA guidelines for disposal of obsolete ICT equipment so as not to harm the environment. The PE should visit the NEMA website for more details (www.nema.go.ke).

d) Where ICT equipment is transferred to other users, care should be taken to remove any sensitive information. Software licenses may not be transferred to other users.

14.2 Disposal Plan

14.2.1 It is of paramount importance that a Disposal Plan be prepared by the PE as required in the Public Procurement and Disposal Regulations 7 (3) (w). The Disposal Plan should relate to the procurement plan and the budget for disposals that would entail direct replacement.

14.2.2 Disposal of hardware for replacement should be planned to take place after four years of use in anticipation of technological changes.

14.2.3 The Disposal Plan should consolidate departmental disposal projections to reduce administrative costs. The accumulation should not cause undue delay in disposal of items and should be within the Disposal Committee’s frequency of meetings of at least once every quarter as stated in Regulation 92 (3) the Public Procurement and Disposal Regulations.
14.3 Disposal Method

The disposal of ICT equipment and software requires careful planning as the confidential information could get into the wrong hands upon disposal. Where sensitive information is stored in the hardware being disposed, actual physical destruction should be considered as a method of disposal as it will guarantee that any residual confidential data cannot be recovered by unauthorized persons.

In case of donations of hardware or software, the PE should ensure that licenses where applicable are withdrawn or terminated before the donations are handed to potential beneficiaries.

14.4 Disposal Certificate

After implementation of the approved disposal method, a disposal certificate should be prepared and signed by members of Disposal Committee.
15.0 REVISION OF THIS MANUAL

15.1 This Manual will be revised from time to time by PPOA to embrace any emerging procurement best practice and major policy changes.

15.2 The Head of each Procuring Entity should on a regular basis analyze any emerging issues in the course of the implementation of the Manual and initiate review and make appropriate recommendations to the PPOA.
16.0 APPENDICES

APPENDIX A:  Procurement Plan Template

APPENDIX B:  Sample ICT Suppliers’ Appraisal Questionnaire

APPENDIX C:  Technical Evaluation Form
    C.1: Technical Bid-Basic Data
    C.2: Technical Envelopes Opening
    C.4: Summary of Technical Scores/Ranking

APPENDIX D:  Financial Bid Evaluation
    D.1: Financial Envelopes Opening - Basic Data
    D.2: Price Adjustments (Examination of Prices for Errors/Discounts)
    D.3: Price Comparison Schedule (Adjusted)

APPENDIX E:  Specimen Tender Evaluation Summary Table

APPENDIX F:  Thresholds Governing Procurement Methods
    Initiation of Procurement, Contract Award and Signing
APPENDIX A: PROCUREMENT PLANNING TEMPLATE

PART I: PRELIMINARY DOCUMENTATION

<table>
<thead>
<tr>
<th>Ref No</th>
<th>Items Description</th>
<th>Priority</th>
<th>No of Units</th>
<th>Unit Cost</th>
<th>Total Cost</th>
<th>Procurement Method</th>
<th>Single/ Multi-Year</th>
<th>Aggregation</th>
<th>Budget Availability</th>
<th>Source of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Planned</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Actual</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Planned</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Actual</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

PROCUREMENT PLAN TEMPLATE
PART II: THE PROCUREMENT PROCESS TIMEFRAME

<table>
<thead>
<tr>
<th>Ref No</th>
<th>Date Procurement Process must Start</th>
<th>Pre-Qualification</th>
<th>Bid documents preparation</th>
<th>Invitation of Bid</th>
<th>Bid Opening</th>
<th>Tender/Proc Committee/ Award Notification</th>
<th>Contract Signed</th>
<th>Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Planned</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>1.1 Actual</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Planned</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Actual</td>
<td></td>
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</tr>
</tbody>
</table>

APPENDIX B: SAMPLE ICT SUPPLIERS APPRAISAL QUESTIONNAIRE

NB: To be reviewed from time to time to address characteristics of various purchases. Appendix B also needs to be customized by PEs to suit small and medium sized companies being evaluated

A COMPANY CONTACT DATA

<table>
<thead>
<tr>
<th>No</th>
<th>Name</th>
<th>Nature of business</th>
<th>Address</th>
<th>Office telephone No.</th>
<th>Office fax No</th>
<th>Plant/Factory (Permanent Address)</th>
<th>Bank Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>3</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B GENERAL INFORMATION AND STRATEGIC CONSIDERATIONS

<table>
<thead>
<tr>
<th>No</th>
<th>Date established</th>
<th>Types of activities</th>
<th>Main Owners</th>
<th>Are there financial/Ownership Link with other companies</th>
<th>Name(s)</th>
<th>What is the Company’s main line of business</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>2</td>
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<td>3</td>
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<tr>
<td>4</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

C REGISTRATION AS SUPPLIER STATUS AND OTHER STATUTORY REQUIREMENTS

<table>
<thead>
<tr>
<th>No</th>
<th>Names of services</th>
<th>Supplied since</th>
<th>Supplied to</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### C.1 Registration

1. Legal Registration No:

2. Registration with the relevant regulatory authority *(state the authority)*

3. Membership of relevant Association *(State the Association)*

### C.2 Other Statutory Requirements

1. Tax Compliance Certificate
2. PIN Certificate
3. VAT Certificate

### D Strategic Consideration

1. Strategic Vision
2. Business Plan or programme
3. Service Charter
4. Short-term objectives
5. Medium-term objectives
6. Long-term objectives
7. Has corporate strategy communicated to staff?  ☐ Yes  ☐ No  Notes:

### E Financial Analysis

#### E.1 General Financial Information

1. What is the company’s financial year?
2. What has been the company’s turnover during the last 5 financial years?
3. Are the company’s financial statements given and attached to this audit?
4. What are the company’s financial objectives?

#### E.2 Financial Ratio

##### E.2.1 Profitability

1. What is gross profit as a percentage of turnover
   \[
   \text{Profitability} = \frac{\text{Gross profit}}{\text{Turnover}} \times 100
   \]

2. What is the Net profit as a percentage of turnover
   \[
   \text{Profitability} = \frac{\text{Net profit}}{\text{Turnover}} \times 100
   \]

3. What is turnover as a percentage of capital employed?
   \[
   \text{Profitability} = \frac{\text{Turnover}}{\text{Capital employed}} \times 100
   \]

##### E.2.2 Solvency

1. What is the current ratio?
   \[
   \text{Solvency} = \frac{\text{Current Assets}}{\text{Current liabilities}} \times 100
   \]

2. What is acid ratio?
   \[
   \text{Solvency} = \frac{\text{Current assets – stock}}{\text{Current Liability}} \times 100
   \]

3. What is the gearing ratio?
   \[
   \text{Gearing} = \frac{\text{Long term loans}}{\text{Capital employed}} \times 100
   \]

4. What is stock turnover?
   \[
   \text{Stock Turnover} = \frac{\text{Cost of sales}}{\text{Average stocks}} \times 100
   \]

5. What is the debtors’ collection period?
   \[
   \text{Debtors\ Collection\ Period} = \frac{\text{Debtors} \times 365}{\text{Turnover}}
   \]

### F Experience and Qualifications as a Supplier

#### F.1 Types and value of services rendered for each of the last three years and clients

<table>
<thead>
<tr>
<th>Services</th>
<th>Value</th>
<th>Client</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### F.2 Evidence of Qualified Key Staff for performance of the services

<table>
<thead>
<tr>
<th>Name</th>
<th>Experience</th>
<th>Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

### G. SALES SERVICE AND CUSTOMER SUPPORT

#### G.1 General sales information

1. Sales turnover for the services being audited
2. The Company’s main Competitors
3. Main market segments serviced
4. Sales infrastructure and arrangements
5. The maximum contract value the company is willing to undertake

<table>
<thead>
<tr>
<th>Minimum:</th>
<th>Maximum:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### G.2 After sales services and customer support

1. What level of technical support is generally offered?
2. Name and contact details of the technical local point:
3. Is service level performance measured? If so list the indicators used

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

4. Is there a team of persons that can be contacted outside the working hours?
5. Does the company employ temporary or sub-contracted labour

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### G.3 Customer Complaints and Rejections

1. How are customer complaints handled? Give details
2. Is the route cause for customer rejection investigated and measures taken to eliminate the cause? Give details
3. Are these measures monitored to ensure that they are effective? Give details

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### G.4 E-Commerce

1. Does the company have a website? Which are its main features (e.g. transactional, promotional, corporate, B-2-B, B-2-C etc)
2. Does it have an online catalogue of products and services? Give details

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### H QUALITY MANAGEMENT SYSTEMS

#### H.1 General information on Quality Management

1. Is there a strategy for continuous improvement of quality of services
2. Does the strategy define the objectives and commitments to quality as well as how these objectives will be met? Give details
3. Is there a quality manual? If so how often is this Manual maintained, reviewed and updated? Give Details

<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>---</td>
</tr>
<tr>
<td>4</td>
<td>Is there a person fully responsible for quality management? If so at what level is this person within the organization? Give Details</td>
<td>□ Yes □ No Notes</td>
</tr>
<tr>
<td></td>
<td><strong>H.2 Quality Certification and Accreditation</strong></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Does the company hold a national certification accreditation for quality management?</td>
<td>□ Yes □ No Notes</td>
</tr>
<tr>
<td>2</td>
<td>Is the company certified under ISO 9000 or equivalent? If so please attach the ISO Certificate for this audit</td>
<td>□ Yes □ No Notes</td>
</tr>
<tr>
<td>3</td>
<td>If not, what steps are being taken to attain No.2 above? Give details</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>What internal audits are undertaken to ensure continued adherence to all aspects of company quality systems as well as compliance with the external requirements? Give details</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Do qualified independent personnel perform internal audits? Give details</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Are the audit findings subjected to corrective action plan? And in what form?</td>
<td>□ Yes □ No Notes</td>
</tr>
</tbody>
</table>

**I GOVERNANCE ISSUES**

1. What is social policy practice in force?
2. Is there an ethics policy and practices guideline in place? □ Yes □ No Notes
3. What action is taken if an employee breaks a company ethics policy? Give details

*Use the following ratings*

0 Nothing currently exists
1 A system exists, but not being documented and not followed for desired effect
2 A system exists, but little documentation and little assurance of control
3 Barely satisfactory systems, with documentation and some assurance of control
4 System working and performing well. Procedures documented and good assurance of control
5 Excellent system and procedures that exceed requirements

*Customization of the Questionnaire:
Procuring entities may customize the above questionnaire to cover their unique appraisal requirements*

**APPENDIX C: TECHNICAL EVALUATION FORMS**

**C.1 TECHNICAL BID- BASIC DATA**

Bid No.

Bid Type of Information Communication Technology Cover, and brief description

Bid validity expiry date

Method of selection QCBS ___ Quality-Based ___Least-Cost ___ Single-Source ______

*Request for expressions of interest:*

- Publication in national/international newspaper(s) Date.................................
- Number of responses No.................................
Shortlist:
1....................................
2....................................
3....................................

Pre-Tender conference: Date........
Minutes issued

Tenders submission:
- Two envelopes (technical and financial bids) Yes...........No..............
- One envelope (technical) Yes...........No..............
- Original submission Date...........Time...........
- Extensions Date...........Time...........

C.2 TECHNICAL ENVELOPES OPENING

TENDER NO........FOR .................................................................

OPENING DATE ..................................................TIME .....................

<table>
<thead>
<tr>
<th>Bidders identification</th>
<th>Prices as read out</th>
<th>Modification or Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Names</td>
<td>Address</td>
<td>Country/Town</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
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<td>4</td>
<td></td>
<td></td>
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<tr>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Number of Tenders Opened</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Names of Opening Committee members
Name ..................... Designation ..................... Signature .....................
Name ..................... Designation ..................... Signature .....................
Name ..................... Designation ..................... Signature .....................
C.3 EXAMPLE OF TECHNICAL EVALUATION-GUIDE TO SCORING

<table>
<thead>
<tr>
<th>Non-price criteria</th>
<th>Meets all requirements of the tender</th>
<th>Meets most requirements of the tender</th>
<th>Meets many requirements of the tender</th>
<th>Meets a number of requirements the tender</th>
<th>Meets minimum requirements but is only just satisfactory for this criterion</th>
<th>Fails to meet the minimum requirements. May pass over this tender.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score ranges</td>
<td>100</td>
<td>90</td>
<td>80</td>
<td>70</td>
<td>&lt;60</td>
<td>&lt;60</td>
</tr>
</tbody>
</table>

A: Understanding of the engagement

<table>
<thead>
<tr>
<th>Identification of key issues</th>
<th>Shows a good understanding of all the key issues</th>
<th>Has addressed all of the key issues.</th>
<th>Has addressed four of the key issues.</th>
<th>Has addressed three of the key issues.</th>
<th>Has addressed three of the key issues but not very well.</th>
<th>Fails to address more than half of the key issues.</th>
</tr>
</thead>
</table>

Management of key issues

<table>
<thead>
<tr>
<th>Has demonstrated how all key issues will be managed.</th>
<th>Has demonstrated how the key issues will be managed with good explanation.</th>
<th>Has demonstrated how the key issues will be managed with limited explanation.</th>
<th>Shows an understanding of how key issues will be managed.</th>
<th>Shows a limited understanding of how key issues will be managed.</th>
<th>Shows no understanding of how key issues will be managed.</th>
</tr>
</thead>
</table>

B: Personnel

<table>
<thead>
<tr>
<th>Experience and qualifications of key personnel in relation to the Tender/ Quotation</th>
<th>Lists personnel in all five required disciplines with demonstrated experience.</th>
<th>Lists personnel in four required disciplines with demonstrated experience.</th>
<th>Lists personnel in four required disciplines, with limited demonstrated experience.</th>
<th>Lists personnel in three required disciplines with demonstrated experience.</th>
<th>Lists personnel in three required disciplines, with limited demonstrated experience.</th>
<th>Fails to list at least three of the personnel in required disciplines.</th>
</tr>
</thead>
</table>

C: Experience

<table>
<thead>
<tr>
<th>Recent experience in similar engagements</th>
<th>Very good record of more than three recent engagements over the last three years for similar services.</th>
<th>Good record of more than three recent engagements over the last three years for similar services.</th>
<th>Good record of recent engagements with two to three over the last three years for similar services.</th>
<th>Sufficient record of recent engagements with two to three over the last three years for similar services.</th>
<th>Good record of one engagement over the last three years for similar services.</th>
<th>No engagement over the last three years for similar services.</th>
</tr>
</thead>
</table>

D: Method statement

<table>
<thead>
<tr>
<th>Programming and methodology for undertaking the engagement</th>
<th>Has supplied a comprehensive program for completion within the required time showing all activities with suitable persons allocated.</th>
<th>Has supplied a good program for completion within the required time showing all activities with suitable persons allocated.</th>
<th>Has supplied a program for completion within the required time showing most activities with suitable persons allocated.</th>
<th>Has supplied a program for completion within the required time showing many activities with suitable persons allocated.</th>
<th>Has supplied a basic program for Completion within the required time showing some activities with suitable persons allocated.</th>
<th>Failed to include a suitable program for completion within the required time showing activities with suitable persons allocated.</th>
</tr>
</thead>
</table>

Demonstrated ability to research and incorporate innovative solutions

<table>
<thead>
<tr>
<th>Sufficiently demonstrates with many examples how it undertakes research to result in innovative solutions.</th>
<th>Sufficiently demonstrates with good examples how it undertakes research to result in innovative solutions.</th>
<th>Shows sufficient understanding of principles of research with good examples of innovative solutions.</th>
<th>Shows sufficient understanding of principles of research with some examples of innovative solutions.</th>
<th>Shows sufficient understanding of principles of research and at least one innovative solution Developed.</th>
<th>Shows no understanding of principles of research and/ or no innovative solutions developed.</th>
<th>Fails to demonstrate an understanding of principles of research and/ or no innovative solutions developed.</th>
</tr>
</thead>
</table>

C.4 SUMMARY OF TECHNICAL SCORES/RANKING

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Tenderer No 1</th>
<th>Tenderer No2</th>
<th>Tenderer No3</th>
</tr>
</thead>
</table>

53
A Understanding of the engagement
   A1 Identification of key issues
   A2 Management of key issues

B Personnel:
   Specific experience and qualifications of key personnel in relation to the tender/quotation

C Firm's experience
   The firm's experience in similar engagements

D Method statement
   Programming and methodology for undertaking the engagement

E Demonstrated ability to research and incorporate innovative solutions

TOTAL SCORES

RANKING

QUALIFIED TENDERERS  MINIMUM QUALIFYING SCORE ........

1
2
3

APPENDIX D: FINANCIAL BID EVALUATION

D.1 PUBLIC OPENING OF FINANCIAL ENVELOPES
   (BASIC DATA)

Opening Date................Time..............................
Names and Tenderer that attended public opening

Tenderers Names  Currency  Total Amount  Comments
No  Name
1
2
3

Opening committee: members' names and titles

Names  Title  Signature

........................................  ........................................  ........................................
........................................  ........................................  ........................................
........................................  ........................................  ........................................

D.2 PRICE ADJUSTMENTS
   (EXAMINATION OF PRICES FOR ERRORS/DISCOUNTS)

TENDER NO....................FOR ....................................................

DESCRIPTION OF ITEM TO BE INSURED: NO ........
### D.3 PRICE COMPARISON SCHEDULE

(ADJUSTED)

**TENDER NO………………FOR SUPPLY OF……………………..**

<table>
<thead>
<tr>
<th>Item No</th>
<th>Item Description</th>
<th>Bidder No1</th>
<th>Bidder No2</th>
<th>Bidder No3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Unit Price</td>
<td>Amount</td>
<td>Unit Price</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Scheduled by……………………Signature……………………Date………………

Checked by……………………Signature……………………Date………………

*Note: This form may be modified to cater for Software and/or Services*
APPENDIX E: SPECIMEN TENDER EVALUATION SUMMARY TABLE

<table>
<thead>
<tr>
<th></th>
<th>Maximum possible</th>
<th>Tender 1</th>
<th>Tender 2</th>
<th>Tender 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Part 1: Technical Evaluation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evaluator A</td>
<td>100</td>
<td>55</td>
<td>88</td>
<td>84</td>
</tr>
<tr>
<td>Evaluator B</td>
<td>100</td>
<td>60</td>
<td>84</td>
<td>82</td>
</tr>
<tr>
<td>Evaluator C</td>
<td>100</td>
<td>59</td>
<td>82</td>
<td>90</td>
</tr>
<tr>
<td>Total</td>
<td>300</td>
<td>174</td>
<td>254</td>
<td>256</td>
</tr>
<tr>
<td>Average score (mathematical average)</td>
<td></td>
<td>174/3</td>
<td>254/3</td>
<td>256/3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>=58.00</td>
<td>=84.67</td>
<td>=85.33</td>
</tr>
<tr>
<td>Technical score (actual final score/highest final score)</td>
<td>Eliminated*</td>
<td>$(84.67/85.33)\times100 = 99.22$</td>
<td>100.00</td>
<td></td>
</tr>
<tr>
<td><strong>Part 2: Financial Evaluation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total fees</td>
<td></td>
<td>Ksh 951 322</td>
<td>Ksh 1 060 452</td>
<td></td>
</tr>
<tr>
<td>Financial score (lowest total fees / actual total fees x 100)</td>
<td>Eliminated following technical evaluation</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$(951 322 / 1 060 452) \times 100 = 89.71$</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Part 3: Composite Evaluation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical score x 0.80</td>
<td>99.22 x 0.80 = 79.38</td>
<td>100.00 x 0.80 = 80.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial score x 0.20</td>
<td>100.00 x 0.20 = 20.00</td>
<td>89.71 x 0.20 = 17.94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall score</td>
<td>79.38 + 20.00 = 99.38</td>
<td>80.00 + 17.94 = 97.94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final ranking</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:

* Only tenders with average score of at least 80 points qualify for the financial evaluation

The first ranked tenderer No2 is to be recommended for award by the Tender Committee or Procurement Committee depending on the Threshold Matrix in the First Schedule of the PPD Regulations

After award of contract notify the successful and unsuccessful tenderers simultaneously and proceed with contract signing after an elapse of 14 days.

Once you have established a contract you should inform the other suppliers that they have not been successful on this occasion. Thank them for their interest in your business and for submitting a quote.

Once the contract has been concluded formal arrangements should be in place to administer in line with the guidelines in Section 11.0 of this Manual in order to ensure that the supplier is proceeding on time, that the quality of the delivery conforms with the specifications and the Terms of Reference, and that delivery will still be on the requested date(s)

This example may be applicable where weighted scoring evaluation for hardware, software and services is preferred by a PE.

APPENDIX F: THRESHOLDS FOR CHOICE OF PROCUREMENT METHODS

THRESHOLDS FOR CHOICE OF PROCUREMENT METHODS, INITIATION OF PROCUREMENT, CONTRACT AWARD AND SIGNING
(As per the threshold matrix in the first schedule of PPD Regulations)

The Threshold Matrix in First Schedule of the Public Procurement and Disposal Regulations 2006 which sets out the minimum and maximum levels of expenditure for use of particular procurement and segmentation of duties for different officers and committees in the procurement cycle under Section 26(3) (c) of the PPD Act 2005 shall be used as stipulated by different classes of procuring entities.
This document was produced with assistance from the American people