



FINAL REPORT

MINISTRY OF WATER AND IRRIGATION

PROCUREMENT REVIEW

JUNE 2011

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ACRONYMS

AO	Accounting Officer
PPO	Principal Procurement Officer
DP	Direct Procurements
FY	Financial Year
GOK	Government of Kenya
GRN	Goods Receipt Note
HQTS	Headquarters
IA	Internal Auditor
ICT	Information, Communications and Technology
KACC	Kenya Anti Corruption Commission
KNAO	Kenya National Audit Office
LPO	Local Purchase Order
LSO	Local Service Order
LTA	Long term arrangement
MD	Minor Deviations
MDD	Moderate Deviations
MDDD	Major Deviations
MWI	Ministry of Water and Irrigation
LOE	Level of Effort
N/A	Not Applicable
ONT	Open National Tender
PC	Procurement Committee
PE	Procuring Entity
PI	Proforma Invoice
PPDA	Public Procurement and Disposal Act, 2005
PPDR	Public Procurement and Disposal Regulations, 2006
PPOA	Public Procurement Oversight Authority
PR	Procurement Review
PU	Procurement Unit
RFP	Request for Proposal
RFQ	Request for Quotation
RT	Restricted Tendering
SP	Satisfactory Performance
TC	Tender Committee
TP	Threshold Programme

EXECUTIVE SUMMARY

This report presents the findings of the procurement review of the Ministry of Water and Irrigation, carried out from 8th December 2010 to 31st December 2010. The main objective of the exercise was to review the status of the Ministry's procurement, contracting and implementation processes and systems, in order to determine the Ministry's level of compliance with the Public Procurement and Disposal Act 2005 and the associated regulations, circulars and directives issued by PPOA, and generally accepted principles of good practice. Consideration was also given to the relationship between procurement and overall service objectives of Ministry of Water and Irrigation.

The review considered performance of procurement functions for the period 1st July 2009 – 31st June 2010. However, matters of the disposal of stores were only considered for the period 1st July 2010 – 31st July 2010, since records for the period July 2009 - 30th June 2010 were not available. The review procedures performed included the examination of selected samples of open tenders, restricted tenders, direct procurement, request for proposals, and request for quotations. The review also considered the disposal proceedings undertaken by MWI during the period.

The scope of the review encompassed MWI's procurement and disposal cycle from planning to completion, using 27 key performance indicators.

The fieldwork included an examination of the files and documents pertaining to MWI's procurement systems and processes and, where appropriate, was supplemented by discussions with the key persons involved in the functions related to procurement. The work was then finalized in consultation with the Accounting Officer, members of standing committees, Head of Procurement Unit and other persons involved in management and oversight of the procurement functions.

Key general findings and recommendations as they relate to each of the areas considered in this review are provided in Chapter 3 of the report. An action plan for implementation of the recommendations is provided in Chapter 6 at the end of this report. The PPOA team will review the implementation of the recommendations in the action plan in Chapter 6 after a three-month period from the date of final report.

A limiting factor in carrying out the review was the inadequate records, data, and documentation relating to the procurement sampled for review due to poor filing systems. This caused some delay in the review fieldwork.

The review team noted the following satisfactory compliant practices from the samples that were examined:

- The tender, procurement disposal and evaluation committees were established. The procurement and tender committees held regular meetings;
- Advertisements indicated the closing date and time, with an invitation to bidders to attend the bid opening;
- Tender opening procedures were carried out in accordance with the Act;
- There was a standing list of registered suppliers as required by Reg. 8 (3)(a);

- MWI frequently used Request for Quotations Method as the main procurement method. RFQ accounted for some 85% of procurement of the procurement method used;
- MWI had taken such steps as are reasonable to bring the invitation to tender to the attention of those who wished to participate;
- Fair and impartial procedures were in place in relation to receiving and opening of tenders;
- A secure facility for the receipt of tenders and quotations had been provided by MWI; and
- There was rotation in issuing RFQ as required by Regulation 10(2)(c)

However, the review team noted the following areas with deviations or weaknesses that need immediate attention of the Accounting Officer and the management:

- The Head of Procurement Unit and key staff with procurement responsibilities had not received appropriate training in PPDA, PPDR, and General Manual;
- MWI consolidated annual procurement plan was not in the prescribed format. The plan was approved on behalf of the by the Accounting Officer;
- There was no evidence that the Heads of User Departments submitted annual departmental plans to the Accounting Officer;
- There were no evidence of individual procurement plans for specialised and complex works and services as set out in the Procurement General Manual;
- Procurements were not being initiated through standard purchase requisitions;
- Filing of procurement records and contract documentation was not to the required standards. In most cases the procurement and contracts records/documentation for a procurement were in different files kept by different departments;
- Members of the technical evaluation committees were not evaluating tenders independently from each other prior to sharing their analysis;
- There are no contract files in place to monitor and evaluate progress of contracts;
- Contract agreements were not prepared for all tenders above Ksh 500,000.00 as required by section 7.5 (r) of the Public Procurement and Disposal General Manual;
- The PE does not compare prices with the PPOA's Market price index for common user items;
- There was no disposal plan and the disposal committee did not meet quarterly as stipulated in Section 128 of the PPDA and regulation 92(3);
- There was no documented complaints mechanism for handling bidders' enquiries and complaints;
- The inspection and acceptance committee was not doing its work adequately, as most files examined did not contain inspection and acceptance certificates.
- The procurement committee did not maintain minutes of its meetings (Reg. 15);
- There were no attendance registers for both the tender and procurement committees (Reg. 6(a) & 7(a));
- Tender opening committees were not appointed by the Accounting Officer;
- Evaluation Committees for procurements within the threshold of the tender committee not appointed by the Accounting Officer (Reg. 16(3)); and
- The Tender Committee does not approve use of RFQ procurement method (Reg. 10(2)(h)) and the list of firms to be issued with RFQ (Reg. 10(2)(k) & 59(2)).

- There was no evidence of forward planning to determine medium and long term needs with a view to aggregating procurements and put commonly procured goods and services under framework contracts to avoid splitting of orders. Many common user goods and services currently being procured on RFQ (currently 85% of the total number of procurement transactions) should be placed under framework contracts in order to obtain better prices associated with large volume procurements and to reduce administrative costs;
- There was no evidence that the prices of common user items had been compared with the PPOA's Market price index; since prices procured at were higher than the prices provided in the index;
- There were no documented contract management procedures in place to monitor and evaluate progress of contracts;
- There were no schedules of duties for initiating, certifying and approving officers leading to inadequate and weak internal controls;
- The Ministry did not file all procurement and disposal reports with PPOA as stipulated in the Regulations.
- The Procurement Committee had not submitted quarterly reports to Tender Committee (Reg. 10(2)(h));
- Procurement files were not complete. The sampled procurement files were missing either one or more of the following documents: purchase orders; payment vouchers; goods or services received notes; inspection and acceptance certificates.

We recommend that the MWI management put in place the following measures in order to reduce future non-compliance in the procurement functions in the Ministry:

- Prepare and implement a comprehensive records retention and disposal schedule covering all categories of records that conforms with the PPDA, Regulation, General Manual and Records Management Manual;
- Develop written operating systems and procedures for implementation of the Act and Regulations;
- Improve monitoring and evaluation of major projects by appointing Contract Managers in accordance with the General Manual to manage the projects. This will increase accountability and improve relationships among the different persons involved in the project within the Ministry and between the parties;
- Procurements should be initiated through standard purchase requisitions and all procurements undertaken should be in the procurement plan. The timings of all procurement related activities by both the PU and users should be derived from this plan;
- Organise training of all persons involved in procurement including senior management on all aspects of procurement law and regulations;
- Ensure the Ministry gets value for money in all its procurements by conducting all procurement processes in an open and transparent manner including contracting to get the best value from suppliers;
- Use standard tender documents and procurement forms for procurement processes including contracting;
- Compare prices of common user items with the PPOA's Market Price Index;
- Prepare procurement and disposal plans in the forms prescribed by PPOA;
- Observe reporting requirements to PPOA;
- Improve contract management;
- Open procurement files for all procurements and ensure that they are complete;

- Procurement Committee to prepare and maintain minutes;
- The Accounting officer to appoint tender opening committees;
- The Accounting officer to appoint evaluation committee members for procurements within the threshold of the tender committee;
- The procurement unit to maintain a record/register of quotation opening; and
- The Tender Committee to approve RFQ procurement method and list of firms to be issued with RFQ.

As specified in the terms of reference, we used a sample of procurement and disposal proceedings to determine the level of compliance with the Public Procurement and Disposal Act, associated regulations and directives issued by PPOA. In so doing, we carefully considered the implications and the significance of individual ratings of the key performance indicators. It is clear that some instances of non-compliance have greater significance than others. This factor has been considered in determining the final compliance level.

The team's overall assessment of the compliance level for MWI is calculated to be 49.14% with relevant PPDA, and the regulations and guidelines in respect of the sampled procurement transactions reviewed. This is below the minimum acceptable level of compliance of 60% set out in the Performance Monitoring Plan for the present project. Thus, the overall performance of the Ministry in procurement and disposal is not satisfactory and has significant weaknesses that need to be addressed.

Finally, we would like to take this opportunity to thank MWI staff for their co-operation and assistance during this review.

1 INTRODUCTION

1.1 Purpose

This procurement review is one of the reviews that was ordered by the Parliamentary Committee on Land and Natural Resources to be carried out by PPOA. The Ministry of Water and Irrigation (MWI) was one of the entities in which procurement reviews were ordered.

An entry meeting with the Ministry's management team was held on 8th December 2010 to discuss the scope of the review, the review plan, the reviewers' expectations, access to documentation and other administrative issues. Mrs Jane Njoroge, the Ag. Director, Technical Services, PPOA led the joint review team to the entry meeting. Mr. David M. Jakaiti, EBS, Director of Administration led the Ministry. The other Ministry representative was Mr. Isaac I. Mutungi, Head of Procurement.

1.2 Mandate of PPOA

The Authority's procurement review function is derived from Section 49 (1) (a) of the Act, which states that the Director-General or anyone authorized by him may inspect at any reasonable time the records and accounts of a procuring entity and the procuring entity and the contractor shall cooperate with and assist whoever does such an inspection.

1.3 Role of the PE

- Section 27(1) of the Public Procurement and Disposal Act 2005 provides that a public entity shall ensure that this Act, the regulations and any directions of the PPOA are complied with respect to each of its procurements;
- Section 27 (2) of the Act provides that the Accounting Officer shall be primarily responsible for ensuring that the procuring entity fulfils its obligations in the implementation of the provisions of the Act;
- Section 27 (3) of the Act provides that each employee of the procuring entity and each member of board or committee of the entity shall ensure, within the areas of responsibility of the employee or member, that the Act, regulations or any directions of PPOA are complied with; and
- Section 101 of the Act provides that a public entity shall provide the Authority with such information relating to procurement as the Director-General may require in writing.

1.4 Objectives

The overall objective of the procurement review was to review the status of MWI's procurement, contracting, implementation processes and systems, in order to determine the level of compliance with the procurement law, regulations, circulars and directives issued by the Public Procurement Oversight Authority.

The specific objectives of this procurement review were:

- To verify whether the procurement and contracting procedures, processes and documentation followed by MWI were in accordance with the Public Procurement Act and the associated Regulations;

- To establish MWI adherence to the generally accepted principles of economy and efficiency, equal opportunities, transparency, integrity and fairness and promotion of local industry;
- To determine technical compliance, physical completion and price competitiveness of each contract in the selected representative sample;
- To review the capacity of MWI to handle procurement efficiently; comment on the quality of procurement and contracting, and identify reasons for delays, if any;
- To establish whether adequate systems are in place for procurement planning, implementation and monitoring and whether reliable documentation is maintained, as required by the regulations;
- To establish whether remedial actions taken on recommendations made in the previous reviews have been implemented successfully;
- To make recommendations for improvement in an action plan which will be followed up within a specified time frame to establish whether these improvements have been implemented;
- To determine the extent to which MWI has provided value for money in executing its procurement functions;
- To assist in clarification of areas where MWI may have misunderstood the requirements of the legislation; and
- To determine challenges faced by the MWI in the implementation of the Act.

1.5 Expectations

The review expected:

- The Ministry to achieve a level of compliance above the minimum acceptable threshold of 60% and above with the requirements of the PPDA, PPDR and all directives issued by PPOA in their procurement, disposal and contracts;
- Adequate systems and procedures put in place by the Ministry for implementation of the procurement law, regulations and directives;
- The Ministry to have adequate capacity and training to implement the procurement law; and
- Essential procurement records to be maintained with adequate safeguards for procurement records.

1.6 Procurement Profile

The value of procurement proceedings undertaken could not be determined from the records submitted for review.

Procurement method	Number
ONT	35
RFQ	379
LTA	-
RFP	25
DP	3
RT	6
Total	448

- The number for ONT and RFQ was established from tender and quotation registers.
- For RFP, DP and RT no registers were maintained and numbers established from tender committee minutes

The procurement budget for the period under review as per the procurement plan submitted was Ksh. 245,384,683.00 The actual expenditure on procurement for the period under review could not be determined.

1.7 Sample

The review covered a sample of transactions as per the table below selected from the population of transactions executed by the Ministry for the period 1st July 2009 to 30th June, 2010, including works, goods, and services, to the extent possible.

No.	TENDER/ QUOTATION NO	PROCUREMENT METHOD	DESCRIPTION	AMOUNT Kshs
1	MWI/QT/02/09-10	RFQ	Drilling of One (1) No. Borehole in Waguthu/Gathamga Area	1,982,750.00
2	MWI/QT/03/09-10	RFQ	Drilling of One (1) No. Borehole in Utawala-Embakasi Area	1,986,000.00
3	MWI/QT/05/09-10	RFQ	Supply of Counter, Curtains and Carpet (DWS)	1,364,620.00
4	WAB/QT/06/09-10	RFQ	Supply of Office Equipment & Furniture	201,00.00
5	MWI/QT/08/09-10	RFQ	Equipping of Koitilial and Endoh Boreholes in Marakwet District Under Drought Emergency Programme	6,973,252
6	MWI/QT/11/09-10	RFQ	Equipping of Matuu Hospital Borehole in Matuu Town	3,790,175.00
7	MWI/QT/12/09-10	RFQ	Equipping of Kosovo, Makadara and EPZ Boreholes in Athi River and Kitengela	9,958,272.00
8	MWI/QT/13/09-10	RFQ	Equipping of Nyakach Girls, Anyona and Riotero Boreholes in VSWSB	12,428,407.25
9	MWI/QT/22/09-10	RFQ	ICT Items	892,200.00
10	MWI/QT/30/09-10	RFQ	Supply of Fabric Curtains, Sheers etc for PS office	518,543.00
11	MWI/QT/32/09-10	RFQ	Supply of Toners	1,026,050.00
12	MWI/QT/34/09-10	RFQ	Drilling and casing of boreholes in Kabati, Giteero, Kiani, Ngitana, and Kuhuhia – Central Province	8,688,000.00
13	MWI/QT/37/09-10	RFQ	Drilling and casing of boreholes in Napetah, Renkomol, Nakabaren – Turkana Rift Valley Province	5,997,000.00
14	MWI/QT/38/09-10	RFQ	Drilling and casing of boreholes in Kahawa Sukari and Baba Ndongo – Nairobi Province	4,206,000.00
15	MWI/QT/39/09-10	RFQ	Supply of Computer Stationery	1,655,000.00
16	MWI/QT/045/09-10	RFQ	As per attached list (Curtains, sheers, linings plus other accessories including labour)	689,000.00
17	MWI/QT/47/09-10	RFQ	Drilling and casing of boreholes in Kitui District (4 Sites) – Eastern Province	12,296,000.00
18	MWI/QT/51/09-10	RFQ	Equipping of Ruaiaveld and Jetviewest Boreholes in Utawala, Embakasi Nairobi under drought emergency programme	6,692,604.60
19	MWI/QT/54/09-10	RFQ	Filing Cabinets	719,000.00
20	MWI/QT/78/09-10	RFQ	Drilling of Boreholes 5 No. Boreholes in Tana Water Services Board Area	7,730,600.00

No.	TENDER/ QUOTATION NO	PROCUREMENT METHOD	DESCRIPTION	AMOUNT Kshs
			(Oloyangalani, Enkoto, Ngatatani/Konza, Uvalini and Kikalumi) under drought emergency programme.	
21	MWI/QT/80/09-10	RFQ	Drilling of Boreholes 5 No. Boreholes in Norther Water Services Board Lagdera (2 No.), Fafi (2 No.) and Ijara (1 No.) under drought emergency programme.	19,493,500.00
22	MWI/QT/082/09-10	RFQ	ICT Items	892,200.00
23	MWI/QT/85/09-10	RFQ	Drilling of Boreholes 3 No. Boreholes in Rift Valley Water Services Board Area – West Pokot, Koibatek and Marigat	4,398,350.00
24	MWI/QT/86/09-10	RFQ	Equipping of Equipping of Waguthu Borehole in Rwaka Area and Gikapu Borehole in Utawala of Embakasi under drought emergency programme	8,206,253.00
25	MWI/QT/89/09-10	RFQ	Drilling of Boreholes 3 No. Boreholes in Athi Water Services Board Area – Gorogo, Riabai and Kabete under drought emergency programme	6,796,600.00
26	MWI/QT/98/09-10	RFQ	Equipping of Equipping of Nabuganda Health Centre Borehole in Samia District under drought emergency programme	6,233,807.80
27	MWI/QT/122/09-10	RFQ	Supply of ICT Accessories	328,000.00
28	MWI/QT/126/09-10	RFQ	ICT Equipment/ Furniture (Ass. Min. Office)	482,000.00
29	MWI/QT/137/09-10	RFQ	Calendars and Christmas Cards	524,100.00
30	MWI/QT/144/09-10	RFQ	Toners and Office Equipment	2,281,500.00
31	MWI/QT/145/09-10	RFQ	Office Stationery	1,683,500.00
32	MWI/QT/146/09-10	RFQ	Toners and Computer Stationery	1,606,500.00
33	MWI/QT/151/09-10	RFQ	Aquatab (Chlorine Tablets)	500,000.00
34	MWI/QT/156/09-10	RFQ	Toners and Office Stationery	508,000.00
35	MWI/QT/157/09-10	RFQ	Supply of Toners	848,000.00
36	MWI/QT/158 /09-10	RFQ	Toners/Flash Disk/Stationery	884,610.00
37	MWI/QT/160/09-10	RFQ	Supply of Toners/ Office Stationery	385,000.00
38	MWI/QT/164 /09-10	RFQ	Rehabilitation of Mangu High School Sanitation System	3,735,016.00
39	MWI/QT/166 /09-10	RFQ	Rehabilitation of Mangu High School Sanitation System	1,232,000.00
40	MWI/QT/193/09-10	RFQ	Flash Disks 2 GB	100,000.00
41	MWI/QT/219/09-10	RFQ	Toners	490,000.00
42	MWI/QT/240 /09-10	RFQ	Supply of Carpets/Underfelt/Curtains	Rejected
43	MWI/QT/258/09-10	RFQ	Toner 53A	156,000.00
44	MWI/QT/275/09-10	RFQ	Building Materials	390,300.00
45	MWI/QT/280/09-10	RFQ	Desktop Computer and other Accessories	300,000.00
46	MWI/QT/289/09-10	RFQ	Toners/Yellow Stickers and Flash disks	1,311,400.00
47	MWI/QT/290/09-10	RFQ	Toners	954,500.00
48	MWI/QT/306/09-10	RFQ	Software	445,100.00
49	MWI/QT/308/09-10	RFQ	ICT Items	156,000.00
50	MWI/QT/312/09-10	RFQ	Carpet, Blinds, Furniture, Water Dispenser & Floor Mat	1,071,702.00

No.	TENDER/ QUOTATION NO	PROCUREMENT METHOD	DESCRIPTION	AMOUNT Kshs
51	MWI/QT/326 /09-10	RFQ	Supply and Delivery of Electrical and Maintenance Tools	497,000.00
52	MWI/QT/337/09-10	RFQ	Letterheads	175,000.00
53	MWI/QT/348/09-10	RFQ	Multifunctional Copier	400,000.00
54	MWI/QT/354/09-10	RFQ	Tyres	102,000.00
55	MWI/NRM/005/09-10	RFQ	Comprehensive Insurance Cover for Vehicle KBH 282Q Value Kshs. 4,768,609.00	342,763.00
56	MWI/QT/032B/09-10	RFQ	Toners	1,026,000.00
57	MWI/KIDDP/001/09-10	RFQ	Office Equipment	773,250.00
58	MWI/KIDDP/002/09-10	RFQ	Office Stationery	394,575.00
59	-	SB Contract No. S/6995	Motor Vehicle Toyota Prado	3,984,458.00
60	MWI/KIDDP/003/09-10	RFQ	Insurance Cover for Vehicle	140,124.00
61	KIDDP	RFP	Consultancy services on audit on the Impact of extra ordinary tariff adjustment and prioritization of the regular tariff review applications	2,306,080.00
62	MWI/NRM/001/09-10	RFQ	Assorted Office Items	194,000.00
63	MWI/NRM/002/09-10	RFQ	Curtains	66,285.00
64	MWI/NRM/003/09-10	RFQ	Assorted Office Items	128,435.00
65	MWI/NRM/004/09-10	RFQ	Assorted items for office use (extension cable, hot plate, electric kettle & Tonners)	161,305.00
66	MWI/NRM/007/09-10	RFQ	LCD Projector and Medium Duty Printer	303,000.00
67	Tender No. MWI/02/2009-2010	ONT	Provision of airtime and calling cards	-
68	Tender No. MWI/03/2009-2010	ONT	Provision of Cleaning Service	2,620,500.00
69	Tender No. MWI/04/2009-2010	ONT	Provision of Security Services	2,578,680.00
70	Tender No. MWI/05/2009-2010	ONT	Provision of Sanitary Disposal Services	111,360.00
71	MWI/06/2009-2010	ONT	Supply of Flower Vases	680,000.00
72	-	DP	Direct Procurement of Water Tanks under Drought Emergency Programme	159,736,864.00
73	-	DP	Direct Procurement of Water Bladders (Collapsible Water Tanks) under Drought Emergency Programme	93,593,300.00
				426,302,592.65

The reviewed procurements total was Kshs. 426,302,592.65 which was above the procurement budget as per the procurement plan of Kshs. 245,384,683.00 for the period under review. This was because there of emergency procurements under the drought emergency programme totalling to Kshs. 377,218,985.00.

1.7.1 Sample Profile

Description of proceedings	No of transactions	Value of proceedings
Total procurement proceedings	448	Could not be determined
Sample of procurement	73	426,302,592.00
Percentage of sample to total procurements	16.3%	–

The review team did not visit any of the MWI physical facilities outside the Headquarters due to time constraints.

The MWI did not provide the review team with inventory reports to determine if the PE did conduct periodic and annual stocktaking in accordance with the PPDR. The PE did provide the review team with the stores records for the first six months of the Government Financial Year 2010-2011.

1.8 Methodology

The review procedures included the examination of selected samples of the open tenders, request for proposal and, request for quotations and disposal proceedings.

1.9 Key documents and data collection

Key procurement and disposal documents and data related to the terms of reference were reviewed. The information collected was analyzed to provide an overall picture of the level of compliance in the various stages of the procurement process. The overall risk rating and scoring systems for the procurements handled by MWI over the review period were assessed using the criteria in Chapter 5 of this report.

Other background documents used by the team included but were not limited to the following: PPDA 2005, PPDR 2006, and the General Manual. The PE did not make available prior internal and external audit reports.

Discussions/interviews were held with the following staff/officials of MWI who are directly involved in the procurement process.

	Title	Name
1	Accounting Officer	Engineer David Stower
2	Principal Supply Chain Management Officer	Mr. Isaac I. Mutungi
3	Supply Chain Management Officer I	Mr. L.N. Mbugua
4.	Supply Chain Management Assistant III	Mr. F.R. Ithamba

Through interviews and discussions with officials, the review team recorded general and specific information concerning the procurement/disposal process, procedures and existing capacity at MWI.

1.10 Key Performance Indicators and rating criteria

The procurement review was based on risk assessment methodology that focuses on the issues that pose the greatest threat to the compliance with the procurement law and regulations.

The reviewed procurements are categorized according to the procurement/disposal key performance indicators. These consist of three categories of a risk level assigned to each performance indicator, namely:

- **High Risk** - Procurements where serious weaknesses could cause material financial, regulatory or reputational risks warranting immediate attention by senior management;
- **Moderate Risk** - Procurements where weaknesses, although less likely to lead to material financial, regulatory or reputational risk, warrant timely management action using the existing framework;
- **Low Risk** Procurements with weaknesses where resolution within the normal management framework is considered desirable to improve efficiency and promote best practice. Deviations from laid down procedures would normally be graded “low,” if there were sufficient evidence of management action to rectify the deviation and to monitor compliance.

Once a risk level had been assigned to each key performance indicator, review tests were devised to ascertain whether the compliance was working as indicated in the risk assessment. More emphasis, time, and tests will be focused on those items with the highest risk.

When assigning compliance scores, the review team considered the extent to which compliance procedures were in place for each aspect of the law and regulations. Whole numbers for each item are used:

- 3 indicates full compliance with the stated requirement;
- 2 is for cases in which the system exhibits less than full compliance and needs some improvements in the area being assessed;
- 1 is for those areas where substantive work is needed to bring them into compliance; and
- 0 is the residual indicating a complete failure to comply with the proposed standard.

Each compliance assessment is multiplied by the risk factor to obtain the overall score for each performance indicator. In cases where there are several requirements being evaluated, the scoring was based on the performance range:

61-100%	3
41-60%	2
21-40%	1
0-20%	0

The scores obtained for each performance indicator were then added to arrive at the total score, which was then shown as a percentage of the maximum possible score. The key performance indicators and the corresponding risk levels used are set out in the Chapter 5.

1.11 Limitation of scope

Our scope was limited by the following:

- Some records, data and documentation relating to the procurement processes selected were not made available and others took time to retrieve;
- The data provided had several gaps to the extent that their accuracy was compromised;
- Inability to verify the authenticity of most of the documents sampled; and
- Lack of documented internal control manuals relating to initiation, certification, and approvals at various levels.

2 ORGANIZATION OF MWI

2.1 Mandate

The Ministry of Water and Irrigation is one of the Government Ministries that coordinates different policies regarding water and irrigation in the following areas: the Water Resources Management Policy; Water and Sewerage Services Policy; Water Quality and Pollution Control; Dam Construction Schemes; National Irrigation Policy; Flood Control and Land Reclamation; and Waste Water Treatment and Disposal Policy. The Ministry manages these by working with different bodies (most of them State Corporations under it) namely: National Water Conservation and Pipeline Corporation; Kenya Water Ministry; National Irrigation Board (NIB); Water Services Regulatory Board; Water Resources Management Authority; Water Appeal Tribunal; Water Services Boards; Water Services Trust Fund; Public Water Schemes and Community Water Projects.

2.2 Vision of MWI

"Assured Water Resources - availability and accessibility by all"

2.3 Mission of MWI

Integrated Water Resources Management and Development through stakeholder participation to ensure water availability and accessibility to enhance National Development.

3 FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

3.1 Functions of Accounting Officer

Findings

The Accounting Officer, Engineer David Stower carried out his responsibilities under Section 27 (2) and under Section 127 (2) of the PPDA.

The Accounting Officer was very supportive of the procurement review and recognises the important role of procurement in achieving the overall long term MWI strategic plans.

There was no evidence that the Accounting Officer appoints tender opening and evaluation committees.

Recommendations

The Accounting Officer should appoint tender opening and evaluation committees as when required.

Response

Currently, the tender opening committees are appointed by the Accounting Officer .

Functions of Procurement Unit

Findings

MWI has an established PU in accordance with the PPDA and PPDR with a total staff compliment of eighteen officers. Mr. I. I. Mutungi, the Head of PU is responsible for day-to-day management of the Procurement Unit and was the Secretary to the TC.

The PU had an organization structure that showed reporting lines and the officer's in-charge of various public procurement aspects.

There was no evidence that the senior staff members of PU were members of KISM.

The procurement personnel had different levels of academic and professional qualifications as outlined in the table below:.

KEY PROCUREMENT STAFF AND THEIR QUALIFICATION

S/No.	NAME	HIGHEST ACDEMIC QUALIFICATIONS	PROFESSIONAL QUALIFICATIONS	DESIGNATION
1.	I.I. Mutungi	Msc Procurement and Logistics	Diploma in Supplies Management - GTI	PSCMO J/G 'N'
2.	Robert O. Osienea	-	Graduate Diploma in Purchasing & Supply – CIPS UK	SSCMA J/G 'L'
3.	L.N. Mbugua	Bachelor of Commerce	Foundation Diploma in Supplies Management	SCMO J/G 'K'

S/No.	NAME	HIGHEST ACDEMIC QUALIFICATIONS	PROFESSIONAL QUALIFICATIONS	DESIGNATION
4.	Catherine W. Kinuthia	Bachelor of Commerce	Graduate Diploma in Purchasing & Supply – CIPS UK	SCMO J/G ‘K’
5.	Jeffrey Ohas	BSc Business Administration	-	SCMO J/G ‘K’
6.	Kennedy Nyabiera	Bachelor of Arts (Economics)	Advanced Diploma in Purchasing & Supply –CIPS UK	SCMO J/G ‘K’
7.	Justus O. Jumbe	Bachelor of Purchasing & Supply	Final Diploma in Supplies Management, Advanced Diploma in Purchasing & Supply –CIPS UK	SCMO J/G ‘K’
8.	Antony K. Njoroge	Bachelor of Commerce, Economics & Statistics	-	SCMO J/G ‘J’
9.	Yegon W. Kiprono	Bachelor of Purchasing & Supply	-	SCMO J/G ‘J’
10.	Paul O. Radul	Bachelor of Economics	-	SCMO J/G ‘J’
11.	David K. Mburu	‘O’ Level		Accounts Officer II J/G ‘J’
12.	Kenneth S. Odede	-	Diploma in Supplies Management	SSCMA J/G ‘H’
13.	E.M. Oriku	-	Diploma in Supplies Management	SSCMA J/G ‘H’
14.	F.R. Ithamba	-	Advanced Certificate in Supplies Management	SSCMA J/G ‘H’
15.	D.I. Saunya	-		SSCMA J/G ‘G’
16.	John Ingavo	-	Diploma in Supplies Management	SSCMA J/G ‘G’
17.	Teresa A. Omolo	‘O’ Level	Certificate in Secretarial Course	Personal Secretary III
18.	Mirian M. Mwangi	<i>O’ Level</i>	-	<i>Senior Subordinate Staff/ C.S</i>

The team noted the following weaknesses in the PU:

- Does not maintain comprehensive procurement and disposal filing systems and records in accordance with Section 45 of PPDA and Regulation 34 of PPDR;
- PU does not prepare disposal plans in accordance with Regulation 8(3)(w);
- Does not advise the procuring entity on aggregation of procurement to promote economies of scale in areas of common user items;
- Does not prepare quarterly reports on the awards by Procurement Committee as required by Regulation 10(2)(n);
- There is no evidence the Head of the Procurement Unit appointed an officer to serve as secretary to the procurement committee as required by Regulation 13 (4);
- Does not monitor contract management by User Department (Regulation 8(3)(t));
- Does not keep inventory records to confirm that the PE conducts periodic and annual stock taking in accordance with Regulation 8(3) (aa); and
- Does not participate in evaluations of procurements of technical nature.

Recommendations

PU should improve on all the identified deficient areas of its functions and ensure that the functions of the Unit are carried out within the requirements of Regulation 8.

The PU should consider a follow up training with the Capacity Building Department of the PPOA.

Response

At the moment, all the opening and evaluation committee members are appointed by the Accounting officer. In addition, the secretary to the procurement committee has been appointed by the Accounting Officer as stipulated in the Act.

As for the staff of the procuring unit being members of a professional body, most of them have registered with KISM and CIPS (UK) as of today. In fact, they have renewed their membership.

Procurement files have been opened and the said documents are attached accordingly. Inspection and acceptance certificates are filed as well.

The ministry will ensure all procurement and disposal reports are filed with PPOA as stipulated in the regulations. This financial year, procurement unit staff has been attending various courses offered by Kenya Institute of Administration, ICT and PPOA. The procurement plan for this financial year is in place as per the format prescribed by PPOA. In the financial year 2009-2010 the procurement plan was approved by the acting Accounting Officer as at the time. The Accounting Officer was away on official duty and had appointed the director of water services as the acting Accounting officer. The consolidated procurement plan was derived from the annual departmental plans submitted.

3.1.1 Number of trained persons sensitized to the procurement procedures

Findings

- The PE liaised with PPOA for sensitisation, advanced, and specialised training in the Act and the associated regulations particularly in General Manual, procurement planning and newly developed procurement guidelines issued by PPOA;
- The PE has not carried out any training on the procurement law and regulations for all the people involved in procurement related functions; and
- The PE does not have a proactive training policy, strategy and work plan in place to ensure continued development of knowledge and skills in procurement functions.

Recommendations

The procuring entity should prioritise their training to include the following:

- Sensitization of all persons involved in procurement including members of all the procurement committees on requirements of the procurement law and regulations;
- Advanced training to improve skills of senior procurement practitioners in:
 - Procurement planning;
 - Writing specifications;
 - Qualifying potential suppliers for complex and specialized services;
 - Evaluating bids; and
 - Contract management;
- Specialized aspects of procurement in areas of:
 - Records management;
 - Framework contracting;
 - ICT Manual;
 - Consultancy manual; and
 - Works manual.

The PE should improve liaison with PPOA to link the Ministry’s training strategy with PPOA training priorities.

Response

Plans are underway to carry out a comprehensive training and sensitization for all the staff of the ministry who are directly or indirectly involved in the procurement activities such as the evaluation of tenders, inspection of goods and services, members of procurement & tender committees, disposal committees, record keeping and contract management. This will involve facilitators from PPOA and to be undertaken within the neighbourhood of Ministry of water & Irrigation.

3.2 Functions of the Tender Committee

Findings

The PE had a Tender Committee as shown below and it held regular meetings and minutes were available. Members of the Committee were appointed by the Accounting Officer on 17th November, 2009.

NAME	DESIGNATION
Mr. D. Jakaiti	Chairman
Ms M. N. Musoma	D/Chairman
Eng. R. Gaita	Member
Eng. P. Mangiti	Member
Mr. D Kiboi	Member
Ms Teresia Wasike	Member
Mr. G. N. Muriuki	Member
Mr. J. R. Nyaoro	Member
Eng. L. N. Simitu	Member
Mr. Kimani Kungu	Member
Mr. I. I. Mutungi	Secretary
Mr. P. Oloo	Alternate Member
Eng. Gatere Kuria	Alternate Member
Eng. W. Onchoke	Alternate Member
Mr. J. K. Yatich	Alternate Member
Mrs M. W. Kuria	Alternate Member
Mrs. Mary Kuria	Alternate Member

The review team observed the following weaknesses and deficiencies:

- The Secretary to the Tender Committee in some instances did not sign minutes of the Tender Committee despite being present in the meetings – Minutes of Friday, 31st July 2009, and Wednesday, 12th August 2009.
- No attendance registers are maintained for tender committee meetings
- The Tender Committee approved Direct Procurement for Drilling and Equipping of Boreholes under the Drought Emergency Programme while the method used was Restricted Tendering. Licensed Water contractors selected from Gazette Notice issued under the Water Act were invited to tender but the lists were not approved by

the TC as required for Restricted Tendering. Drilling and Equipping the Boreholes were done under different contracts raising the issue of splitting. Examples – Minutes of Friday, 31st July 2009: Minute No. MWI/5/2009-2010: drilling of one (1) No. Borehole in Waguthu/ Gathanga Area – MWI/QT/02/2009-2010 – equipping of the borehole would be done under different arrangements; Minute No. MWI/6/1/2009-2010: drilling of one (1) No. Borehole in Utawala-Embakasi Area – MWI/QT/03/2009-2010 – equipping of the borehole would be done under different arrangements.

- Does not review the quarterly reports on quotations that have been awarded by the Procurement Committee in accordance to Regulation 10(n); and
- There is no reference of the budget line and approved funds availability in the minutes.

Recommendation

The identified weaknesses in TC procedures should be addressed.

Response

The secretary of the Tender committee has initiated the confirmation of funds availability before presentation of an agenda to the MTC. In addition, minutes of TC are signed accordingly as well as maintaining an attendance register for the MTC members.

Regarding the reports from the procurement committee, an agenda of the reports for the last two quarters has been prepared to be presented to the TC in accordance to Regulation 10(n).

3.3 Functions of the Procurement Committee

Findings

The Procurement Committee is established as below in accordance with Regulation 13 and holds regular meetings.

The Procurement Committee Members were appointed on 3rd November 2010 . The Nominees by 9th December 2009 were Mr. Amwata Wilfred – Land Reclamation, Mr. Kimani Ndegwa - Water Resources, Mr. Paul Kuria 0 Member, Mr. Samuel Maina- Alternate, Eng. Gatere Kuria – Water Services.

Procurement Committee Members

NAME	DESIGNATION
Mr. Wasike	Chairman
Mr. Osienya	Secretary
Mr. Onyancha	Member
Mr. Wilfred Amwata	Member
Mr. Kimani Ndegwa	Member
Mr. Kirira	Member
Mr. Paul Kuria	Member
Mr. Samuel Maina	Member
Mr. Mbugua	Alternate member
Eng. Gatere Kuria	Alternate member

- The procurement Committee did not prepare minutes of meetings held. Members sign on price comparison schedule prepared by the procurement unit.
- The PC does not confirm availability of funds before awarding contracts;
- The PC does not ensure that all relevant procurement documentation e.g. purchase requisitions are used for processing the procurement proceedings; and
- The PC does not submit quarterly reports to the TC as required by Regulation 10(2)(n).

Recommendation

The identified weaknesses in PC procedures should be addressed.

Response

Procurement committee is active and in place and Minutes of their proceedings are maintained accordingly and copies attached to payment vouchers before they processed.

Quarterly reports of the procurement committee for the last two quarters have been prepared to be presented to the MTC as required by Regulation 10 (2)(n).

Attendance register for the procurement committee meetings is maintained accordingly.

3.4 Functions of the Disposal Committee

Findings

There was no evidence of appointment of a Disposal Committee as required by Section 128 of the Act during the period under review.

There was no evidence that the Disposal Committee met quarterly as stipulated in Regulation 92(3).

Some items were however disposed: Disposal of Boarded GOK vehicles and general stores - Tender No. MWI/36/2009-2010 in a letter dated 18th August 2010. The tender was dated around 24th June, 2010. A. GK A705G – M/Benz sold at 1.8M; 8th July 2010: GK A 942D – Pajero Mitsubishi S/W released to Mr. Charles Mutuku Ngunga after paying Kshs. 11,050 to the Govt vide MR No. 3880241 Letter of award: 30th June 2010.

No.	Item	Board of Survey Date	Reason for Disposal	Disposal Method	Estimated Sale Value	Sale Value
1.	GK Z698 Volvo 244 Saloon	21/06/10	Unserviceable	Open Tender	150,000	
2.	GK A9242D Mitsubishi Pajero Stn Wagon	21/06/10	Unserviceable	Open Tender	10,000	11,050
3.	GK 886Q M/Benz Drilling Rig	21/06/10	Unserviceable	Open Tender	400,000	
4.	GK A705G - M/BENZ 290GD S/W	21/06/10	Unserviceable	Open Tender	1,500,000	1,799,995
5.	GK 181X (International) Horse Lorry	21/06/10	Unserviceable	Open Tender	150,000	
6.	Sewage Sludge Pump with Deutz KHD Engine serial No: 6137999	21/06/10	Unserviceable	Open Tender	5,000	32,000

1. Other valuation reports in place – June 2010
2. Authority to dispose sought from the PS by Ag. PPO on 24th February 2010. Approved on 26th February 2010.
3. Some vehicles and equipment had been boarded as early as Sept 2002, others in 2008, others in 2009 and others in 2010, but had not been disposed.
4. In a memo dated 3rd October 2010 addressed to PS by J.K.A. Bett, Head of Mechanical Services, some plant and equipment that had been transferred to NWC&PC retransferred back to the Ministry on the premise that they were unserviceable. However, some of them were missing and no explanations were forthcoming from the Corporation.
5. Several Board of Survey reports from different district water offices in place
6. In some instances, the District Water Officer seeking permission to dispose off assets in water boards – Tanathi Water Services Board, Lake Victoria South Water Services Board

There were cases of unserviceable vehicles that had not been disposed off as per Boarding Inspection Report of 18th June 2010

- a. GK 886Q – YoM 1997 – Engine missing and other problems
- b. GK A 513F – YoM 1995 – Engine missing among other problems
- c. GK 181X – YoM 1980 – Engine Missing among other problems
- d. GK A942D – YoM 1999 – Engine is damaged among other problems
- e. GK Z 698 – YoM 1996 – Engine needs overhaul among other problems

Recommendations

- The PE should ensure that the Committee conducts its meetings in accordance with Section 128 (2) and Regulation 92(3).
- Other boarded assets, equipments and stores that have not been boarded need to be boarded and disposed

Response

A disposal committee is in place and a disposal plan is available and it goes along with what is in the accounting Officers Performance contract.

3.5 Functions of Evaluation Committee

Findings

As provided for by Reg. 16(1), of the PP&DR, some procurements within the threshold of the Tender Committee were evaluated by Evaluation Committees. The Committees were however not appointed by the Accounting Officer.

For these tenders reviewed, the following generic weaknesses were found:

- There was no evidence that Evaluation Committees were appointed by the accounting officer upon recommendation of the procurement unit as provided for under Reg. 16(3)

- All Evaluation reports were filed together in one file and not in respective procurement files.
- The PU was not involved in evaluation of technical procurements e.g. ICT Equipment, boreholes etc.
- Some evaluation reports were not signed by all Evaluation Committee members:
Case: Financial Evaluation and ranking of the firms for the consultancy on preparation of irrigation and drainage MIS (IDMIS). Evaluation report signed by Eng. P.W. Muchangi, Aboud Moeva, Mr. Samuel Maina, Ms. Njoki Karugu. Not signed by G. Namanya
- In some cases the evaluation criteria were not included in the bid documents especially for Quotations. Examples includes:-

No.	Quotation	Remarks
1	Quotation No. MWI/QT/132/09-10: Supply of Laptops	<ul style="list-style-type: none"> - The criteria developed from specification at time of evaluation. - Pass mark of 70% determined at the time of evaluation - Technical evaluation done by Samuel Maina and Njoki Karugu only on 18th January 2010.
	Quotation No. MWI/QT/104/09-10: Supply of Laptop, Digital Camera and Color Printer	<ul style="list-style-type: none"> - The criteria developed from specifications at the time of evaluation. - Pass mark of 70% determined at the time of evaluation - Technical evaluation done by Paul K. Kuria, Emmah Wachira and Njoki Karugu on 13th November 2009. - Logistical General Supply recommended for award to supply HP Compaq 6710B Notebook PC at Kshs. 120,000.00, Canon Digital Camera at Kshs. 45,000.00 and Laserjet Printer 2025DN at KSHS. 120,000.00
	Quotation No. W.A.B. /014/ 09-10: Supply of 650VA Light Duty UPS	<ul style="list-style-type: none"> - The criteria developed from specifications at time of evaluation. - Pass mark of 70% determined at the time of evaluation - Technical evaluation done by Samuel Maina and Njoki Karugu only on 18th January 2010. - <i>Awarded to Booker Investment Group Ltd</i>
	Quotation No. W.A.B. QT/002/ 09-10: Supply of 1.5 KVA Medium Duty UPS and Mid Range Server	<ul style="list-style-type: none"> - The criteria was developed from specifications at time of evaluation. - Pass mark of 70% determined at the time of evaluation - Technical evaluation done by Samuel Maina and Njoki Karugu only on 18th January 2010. - <i>Awarded to Phoenix Technologies for medium duty UPS AND ??? FOR MID RANGE SERVER</i>
	Quotation No. MWI/143/09-10: Structured Network Cabling at Central Water Laboratory	<ul style="list-style-type: none"> - The Evaluation process was based on the specification requirements stipulated in the terms of reference (TOR) for the structured network cabling for central water laboratory. The evaluation process involved analysis of the features offered and/ or brochures against the specification requirements indicated in the terms of reference issued out during the invitation for bids. - Technical evaluation done by Samuel Maina and Njoki Karugu only on 21st January 2010.

No.	Quotation	Remarks
	QUOTATION NO. MWI//159/09-10: Supply of Voice Over Internet Protocol (VOIP) And Skype Service	<ul style="list-style-type: none"> - The Evaluation process was based on the specification requirements stipulated in the terms of reference (TOR) for design and installation of voice over internet protocol and skype service in the Ministry HQs structured network cabling for central water laboratory. The evaluation process involved analysis of the features offered and/ or brochures against the specification requirements indicated in the terms of reference issued out during the invitation for bids. - Technical evaluation done by Samuel Maina and Njoki Karugu only on 17th December 2009.
	Quotation No. MWI/QT/058/09-10: Supply of Laptops	<ul style="list-style-type: none"> - The criteria was developed from specifications at the time of evaluation. - Pass mark of 70% determined at the time of evaluation - Technical evaluation done by Samuel Maina and Njoki Karugu only on 25th February 2010.

- There were no records to ascertain that each member of the technical evaluation committee evaluated the submissions independently from the other members prior to sharing his or her analysis, questions, and evaluation including his or her rating with the other members of the technical evaluation committee as required by Regulation 16(6);

Recommendations

The identified weaknesses in procedures should be addressed to conform to the Act and Regulations.

Response

With sensitization, the evaluation teams will carry out evaluations independently from each other prior to sharing their analysis. In addition, the evaluation teams are appointed by the Accounting officer and the PU acts as the secretary to these teams.

3.6 Functions of Inspection and Acceptance committee

Finding

- There was a standing committee appointed for all inspection activities under Regulation 17. Officers appointed as members of Inspection and Acceptance Committee on 3rd November 2010 were: Mr. Wachira – Chair, Mr. Owako, Mr. Onyango, Mr. Gitonga, and Mr. Njaramba As at 9th December 2009: Owako Harrison – Land Reclamation, K.Z. Onyango – Water Resources, Emmah Wachira – ICT, Mureithi Njaramba – Water Services were the I&AC members had been appointed.
- For the period under review, the Inspection and Acceptance Committee did not use any prescribed format. Delivery notes were stamped with a rubber stamp titled

‘Inspection and Acceptance Committee’ which provided for three signatures. However, in all cases sampled, only one person was signing.

- The IT department had issued some certificates on IT equipment that the Ministry had received

The following weaknesses were found in the functions of the committee:

- Members were not using the prescribed Inspection and Acceptance Certificate, despite having developed one – see Appendix 3. The members were instead required to sign in the delivery note and in all the cases sampled there was only one signature or none at all.
- In some cases for IT equipment, the technical persons were not involved.
- The team did not find any certificate of completion of project or consultancies issued by the inspection and acceptance committee as provided by Regulation 17(4) (a).

Recommendations

The inspection and acceptance committee members should rectify the weaknesses observed.

Response

Inspection and acceptance committee is in place and there is a designed certificate which is signed by all members and then attached to the payment voucher while a copy is left in the stores for reference purposes. For ICT items or technical items, a certificate from ICT department or technical department ascertaining conformance to specifications must be produced before the inspection and acceptance team signs the inspection certificate.

3.7 Systems and procedures for implementation of the procurement law and regulations

Findings

- The Ministry had not yet established procedures for implementing procurement decisions in accordance with Section 26(1). The review team did not find any schedules of duties in the Ministry outlining separation of functions. It is therefore difficult to determine whether there is clear separation of powers for those undertaking initiation, processing and receipt;
- The PE had not prepared procurement operational manual for use by all persons involved in the procurement related functions;
- The staff involved in the procurement related functions that the team interviewed did not know of the aware of existence of the following manuals published by PPOA which would be relevant to their work:
 - Procurement and Disposal General Manual;
 - ICT Manual;
 - Insurance Manual;
 - Non-Intellectual Services Manual;
 - Projects Manual;
 - Works Manual;
 - Records Management Manual;
 - User Guide; and

- Bidders Guide.

Recommendations

- The Ministry should put in place appropriate systems and procedures to disseminate information relating to procurement including manuals, guidelines and directives from PPOA to the appropriate people, at the necessary level of detail, on a timely basis and that is accessible to all those involved in procurement related functions; and
- The PE should prepare an operational schedules manual as provided for in the PPDR First Schedule.

Response

The Ministry in collaboration with PPOA will develop manuals and schedules which are tailor made to suit the operations of the ministry.

3.8 Threshold Matrix and Segregation of Responsibilities.

Findings

The Ministry did not provide schedules of duties to enable the review team to verify if the requirements of First Schedule of PPDR are being followed in the initiation and approval of the procurement processes.

Recommendations

Prepare written operational procedures and systems that set out the initiation and approval of the procurement activity in accordance with First Schedule of PPDR.

Response

After preparation of the manuals and schedules the ministry will be able to develop schedules of duties clearly with responsibilities especially for the initiation and approval of procurement processes.

3.9 Poor record keeping and filing systems of the procurement documents

Findings

Record keeping and filing of procurement documents was not appropriate. From the data provided and reviewed, It was not possible to determine and analyse procurement expenditure including the total procurement spend.

The files sampled were in most cases not complete as they did not contain all the required documents as provided in the Regulation 34(3) including:

- Procurement initiation requisition;
- All internal and external correspondence on the procurement;
- Blank Bid documents;

- Bids received;
- Bids analysis or evaluation and award of the contract; and
- Information on the award of the contract and particulars of the contract.

The procurement records were fragmented and different documents relating to procurement were kept by different offices who participated in the procurement, e.g. User Departments, Finance, and Accounts.

Only the following tender documents were available for review. From the tender register there were 35 tenders in total.

No.	TENDER/ QUOTATION NO	DESCRIPTION
1	Tender No. MWI/02/2009-2010	Provision of airtime and calling cards
2	Tender No. MWI/03/2009-2010	Provision of Cleaning Service
3	Tender No. MWI/04/2009-2010	Provision of Security Services
4	Tender No. MWI/05/2009-2010	Provision of Sanitary Disposal Services
5	MWI/06/2009-2010	Supply of Flower Vases

There were no procurement files including documents available for review for procurements undertaken under restricted tendering and direct procurement. Information available was obtained from Tender Committee minutes and evaluation reports.

Recommendations

- The PE should strengthen the process of collecting, collating classifying and analyzing procurement expenditure data with the purpose of reducing procurement costs, improving efficiency and monitoring compliance. This will also impact on other areas such as inventory management, budgeting, planning and service delivery.
- The Procurement Unit should improve the filing systems and records management to conform to the provisions of Section 45, Regulation 34(3), General Manual, Procurement Records Management Procedures Manual; and
- The PU should ensure that a complete procurement file is maintained for each procurement activity. The file should contain all the relevant documents starting with the purchase requisition, documents for the tendering process, evidence of receipt and payment for goods. As far as possible, these should be original documents, or where not possible, certified copies of the originals.

Response

Currently the PU is handling all the procurement records and contract documents and those that are in other offices, effort is being made to have them consolidated under the custody of the procurement unit. In addition, the ministry is in the process of acquiring a bulk filing unit for the PU to enable it have their records under one roof, for ease of access and confidentiality. Procurement files for each procurement activity have been opened.

3.10 Procurement Planning

Findings

- A consolidated procurement plan for the period under review was made available to the review team. However, it was not in the format that is prescribed by PPOA and did not include all the contents prescribed under Reg. 21(1). The plan was approved on behalf of the Accounting Officer.
- The review identified the following weaknesses in procurement plan prepared by the PU:
 - The procurement plan is not linked the budgetary and financial framework in accordance with Regulation 20(2) and Chapter 6.2 of the General Manual;
 - There are no individual procurement plans for general services, consultancy services and civil works procured by the Ministry as provided in the General Manual Chapter 6.5 for the following tenders:

Tender	Description	Category	Method	Value(Ksh)	Supplier

- Multi-annual, rolling work plans for procurement are not prepared by each User Department and there is no indication whether the requirements should be procured under single-year or multi-year arrangement (Regulation 20(3));
- There is no schedule of the planned delivery, implementation or completion dates for all goods, works, services and consultancies sampled;
- There is no evidence that the procurement plans are regularly updated to accommodate changes during the year; and
- The review team were not provided with User Departmental annual procurement plans, nor with information to show that they were submitted and approved by the Accounting Officer at least thirty days before the close of each financial year (Regulation 20(4)).
- There were cases of new items being procured despite the fact that other items were available in the stores for example the printers,

Recommendations

- Planning is essential for effective procurement. Procurement planning entails more than the development of estimates for various goods, civil works, and services. It combines the legal and institutional frameworks within which procurement must be carried out. The PE should address all the weaknesses identified;
- The Procurement Unit should not commence any procurement activity which is not in the procurement plan;
- The PU should conduct procurement planning meetings with User Departments more frequently so that the users can be assisted with technical expertise; and
- The work plan of the PU should include preparation and updating of the procurement plan in regular progress reports (giving status of procurement progress, reasons for delay and revised procurement schedule).

Response

The PU has engaged the user departments by assigning experienced procurement staff to assist in coming up with the departmental procurement plans. In addition, the PU has continuously updated the procurement plans as changes arise due to change of needs by user departments or occurrence of an emergency.

However, the ministry did not have procurement plans for specialised and complex works because it deals with policy matters unless there is an emergency like on the draught experienced on 2008-2010.

3.11 Purchase requisitions

Findings

- In most cases the PE does not initiate procurement proceedings using the standard purchasing requisition forms as provided for by Regulation 22(1). In some cases procurement processes are initiated by internal memos or purchase requisitions from user departments, which do not indicate that they have been originated by the authorized official and approved by the official within the threshold for procurement being considered (First Schedule of PPDR);
- There is no budget line indicated on the memos to show source, allocation, and availability of funds in the budget for particular procurement as required by Section 26(3), or authority to incur expenditure for the purchases requested;
- In the few cases that had purchase requisitions, they were no estimated values.:

Recommendations

- The review team noted that the Standard Purchase Requisition Form is expected to be released by PPOA shortly. In the meantime, the Procurement Unit should develop an interim purchase requisition form that conforms to the requirements of the PPDR, General Procurement Manual and directives or guidelines from PPOA;
- The Standard Purchase Requisition Form for works, which initiates the procurement process for procurement for works, should be in accordance with the Procurement Works Manual which has been prepared by PPOA and should specify as a minimum the following information:
 - State the objective of the works;
 - Establish the preliminary specifications;
 - Confirm budget availability;
 - Indicate authority for the procurement; and
 - Allocate a unique Procurement Number to be used for procurement tracking and monitoring;
- The Procurement Unit should put in place a central control register for all requisitions received in the unit in order to put in place sufficient internal control.

Response

The ministry has a standard purchase requisition book which has been issued to all A.I.E holders. Special cases are handled through a procurement memo from the A.I.E holder which must be approved accordingly.

3.12 Prequalification and registration of suppliers

Findings

- There is an approved standing list of registered suppliers in place for the period under review as required by Regulation 8(3)(a);
- The review team found from the assessment of the RFQs that there was some degree of rotation of registered suppliers being considered for bids;
- In the category of Supply and Delivery of Office Stationery, some of the qualified contractors were not identified by name. These were prequalified suppliers Nos 70 to 78 and No.s 80 to 98
- The number and names of prequalified suppliers in Categories 3 and 4 were not available.
- The following is a summary of prequalified suppliers:

S/No.	Category of G, W & S	No of Prequalified Suppliers
1.	Category 1: Supply and Delivery of Office Stationery	99 out of 105 of those who applied
2.	Category 5: Staff Identification Badges and Visitors Cards	7 out of 7
3.	Category 6: Supply of Computers, Laptops & Accessories	65 out of 67
4.	Category 7: Office Equipment	47 out of 49
5.	Category 8: Office Furniture	49 out of 52
6.	Category 9: Tyres, Tubes & Batteries	6 out of 7
7.	Category 10: Electrical Equipment and Fittings	16 out of 18
8.	Category 11: Staff Uniform	9 out of 9
9.	Category 12: Supply and Installation of Electro-Mechanical Equipment	10 out of 10
10.	Category 13: Laboratory Chemicals & Equipment	58 out of 61
11.	Category 14: Hydrological Equipment	15 out of 16
12.	Category 15: Repair and Maintenance of Office Equipment	7 out of 7
13.	Category 16: Repair and Maintenance of Telephone PABX & Telecom Equipment	4 out of 4
14.	Category 17: Provision of Air Tickets	4 out of 4

Recommendations

- Before approving or prequalifying a particular supplier, PU in conjunction with the User Department should conduct a supplier evaluation to validate the information provided by the bidders or pre-qualified bidders and to assess whether suppliers' performance meets the expectation or does not meet the expectation in terms of quality of goods and services;
- There is also need to strengthen supplier performance evaluation; and
- The PE should ensure a fair and equal rotation amongst the persons on the standing list of registered suppliers in respect of requests for quotations, as required by Regulation 59 (2) (c).

Response

The ministry has an approved list of suppliers who are continuously evaluated on their performance and before such a list is developed bidders are invited to participate in such undertaking through open national tender. And successful bidders are assessed by ascertaining whether the information they presented was correct by visiting their premises and seeking more information.

3.13 Specifications

Findings

- There was no evidence available to show that User Departments prepare specifications/TORs and submit to the Procurement Unit; and
- In some cases especially for quotations, Brand Names were used.
- For furniture specifications were in most cases inadequate e.g. sizes, materials etc.
- Calendars specifications were also inadequate

Recommendations

The PE should ensure that all persons involved in procurement related functions prepare technical specifications in accordance with the law.

Response

The PU in collaboration with the user departments as well as ICT department have developed a common team to always come up with specifications to avoid ambiguity and also ensure consistency in specifications used. This also helps in comparing prices with the market as well as those provided for by PPOA.

3.14 Choice of procurement method

Findings

The PE employs various procurement methods as required by PPDA and donor procurement regulations.

The numbers as per the quotation and tender registers were as follows:-

Procurement method	Number
ONT	35
RFQ	379
LTA	-
RFP	25
DP	3
RT	6
Total	448

Open tendering is not the main procurement procedure as stipulated in the PPDA. The PE uses more of RFQ i.e. 85% of the total number of procurements. . Alternative procurement methods are used in accordance with the criteria in Part VI of the Act.

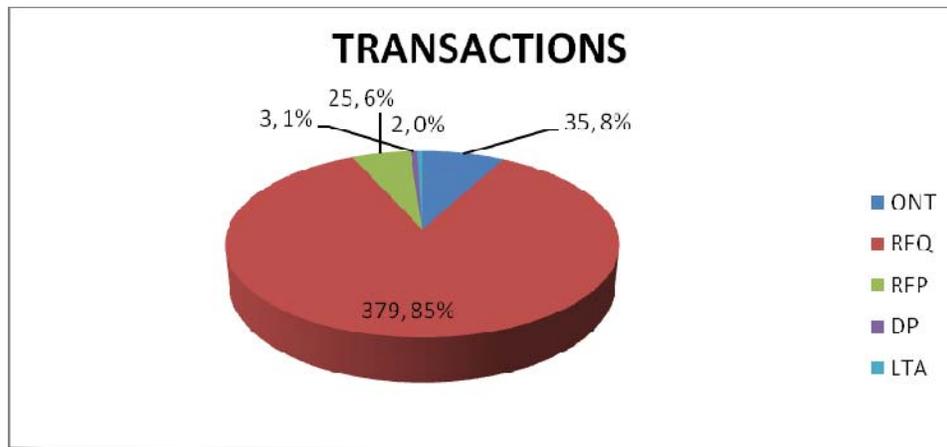
3.14.1 Value of procurement proceedings for the YR2009-2010

The value of procurement proceedings undertaken could not be determined from the documents submitted for review as they were inadequate.

Response

Having established proper mechanism of record keeping as well as pegging all the procurement activities with the budget provisions it will be easy to determine the value of all procurement proceedings in a given financial year.

3.14.2 The number of transactions of the procurement proceedings for the YR 2009-2010



The team observed that many common user goods and services currently being procured on RFQ methods take a lot of the level of effort, currently standing at 85%.

Response

Advertisements of annual tenders have been prepared and the procuring entity has ensured that common user items have been placed under framework contracts in order to obtain better prices associated with large volume procurement in order to reduce administrative costs. The office has also tried to make use of supplies branch while sourcing for common user items.

3.15 Preference and reservations

Findings

The PE has not applied preference and reservations as provided in Section 39 (8) of the PPDA for procurements that were 100% funded by the Government of Kenya and below the thresholds prescribed in Regulation 28 (1). The PE did not provide any reason for not applying these preferences.

Recommendations

The PE should apply preference and reservations as provided in Section 39 of the PPDA and Public Procurement and Disposal (Preference and Reservations) Regulations, 2011 where applicable.

Response

The PE will apply preference and reservations as provided in Section 39 (8) of the PPDA as recommended above.

3.16 Preparation of tendering documents

Findings

The appropriate standard tender documents as prescribed in Section 29(4) of PPDA, Third Schedule of the PPDR and General Manual are not used in all procurement processes reviewed. The PE has not adopted the following key standard bidding documents as specified in the Third Schedule of the Regulations namely:

- Procurement requisition form;
- Tender register;
- Application for adjudication of tenders/quotation;
- Standard tender document for procurement of general services
- Contract agreement for general services;
- Standard tender document for small works;
- Standard tender documents for management contracts;
- Application for adjudication of tenders/quotation; and
- Standard tender documents for preference and reservations.
- For some of the tenders sampled, standard tender documents for procurement of goods and standard tender documents for procurement of services were used. However, some sections like instructions to Bidders, technical specifications and schedule of requirements were missing.

The review team acknowledged that most of the standard tender documents are presently under review by PPOA and that some existing documents do not conform to the present law. The PE should liaise with PPOA to agree how to handle the documents required by Regulations but not operational.

Recommendations

- The PE should adopt the recommended standard bidding documents and procurement forms that are relevant to its procurement and disposal procedures, once the PPOA's revision of these documents and forms has been completed. In the cases of where the document is still in preparation by PPOA, the Ministry should liaise with PPOA and agree on the appropriate form to be used; and
- The PE should take advantage of the ARD training workshops for the revised standard bidding documents currently being organised in collaboration with PPOA.

Response

The PU has been using the recommended standard bidding documents and procurement forms but will seek assistance in the training of its staff in developing the bidding document in collaboration with PPOA.

3.17 Advertisement of tender opportunities

Findings

Only one advertisement for pre-qualification and tenders Nos. MWI/01/2009-2010 to MWI/06/2009-2010 was sampled. The advertisement indicated the closing date and time, with an invitation to bidders to attend the bid opening.

Response

The PU has developed a record keeping system whereby all adverts to the media regarding all procurement opportunities are well placed and all correspondences regarding such opportunities are readily available.

3.18 Modification to tender documents

Findings

The tenders reviewed did not have any modification. The PE was therefore not evaluated on this indicator.

3.19 Submission and Receipt of Bids

Findings

- There is a secure facility for the receipt of tenders provided at the designated tender location, with two locks with keys for each lock kept by a different officer; and
- There was no evidence that Tender Opening Committees were appointed by the Accounting Officer as per provisions of Sec. 60 of the PPDA. There were also no minutes of tender opening.
- No quotation opening record is maintained.

3.20 Formation of Contracts

Findings

- There was no evidence that procurement files were maintained for tenders.
- There were no records to ascertain that notifications of award letters were sent out to all the successful bidders in accordance with Section 67 of PPDA and copies filed in the procurement file;
- There were no records to ascertain that all unsuccessful bidders were notified at the same time when the notification of award was sent out and copies recorded in the procurement file;
- The release of security bonds was not recorded;
- The PE does not record all advance payment or progress payments secured by the performance bond or bankers guarantee in the procurement file; and
- For some tenders awarded through the tender committee, no contracts were signed
- Only the contract forms were available in some instances.

Recommendations

The identified weaknesses in procedures should be addressed to conform with the Act and Regulations.

3.21 Termination of Proceedings

Findings

There were no records of termination though the review team was made aware that some contracts awarded by the tender Committee were not signed due to inadequate funds.

3.22 Notification to PPOA

Findings

- There were contracts above Kshs. 5,000,000 but none were not reported to PPOA
- There were direct procurements above Kshs. 500,000 but none were reported to PPOA
- Other required notifications did not arise

Recommendations

The PE should notify PPOA of all the procurement and disposal as follows directed by the PPOA as follows:

- All procurement contracts of Ksh 5,000,000.00 and above;
- All terminated procurement proceedings;
- All direct procurement of Ksh 500,000.00 and above; and
- All disposals made to employees.

Care should be taken to ensure that communications sent to PPOA are received and acknowledged.

Response

The PU will undertake to report all the procurement proceeding as directed by the PPOA

3.23 Enquiries and Complaints Mechanism

Findings

The Ministry does not have documented systems and procedures for handling bid complaints and does not keep a complaints/protest log.

Recommendations

Introduce a documented systems and procedures for handling bid enquiries and complaints and keep a complaints/protest log.

Response

The PU will undertake to keep a documented systems and procedures for handling bid enquiries and complaints and keep a complaints/protest log.

3.24 Follow up of ARB decisions and recommendations.

Findings

No case referred to ARB was sampled.

3.25 Value for Money

Findings

The PE does not consider value for money in its procurement functions:

- The high value procurements for projects were linked to the consolidated procurement plans of the financial year 2009-2010;
- There are no realistic estimates on for large procurement activities; reviewed; and
- The PE does not compare their prices with PPOA common user prices.

Use of Quotations in comparison to Prevailing Market Prices

No.	Quotation No	Item	Purchase Price (Kshs.)	PPOA Market Price Index (Kshs.)	% above PPOA Market Price Index
1	MWI/ QT/240/08-09	Computers	125,000.00	46,155.00	170
2	MWI/ QT/240/08-09	HP 12A Catridge	12, 500.00	7,261.00	50
3	MWI/QT/240/08-09	Flashdisk 8GB	13,200.00	3,348.00	294
61	MWI/QT/158/09-10	Flash Disk 8 GB	11,468.00	3,348.00	242
70	MWI/QT/158/09-10	Flash Disk 8 GB	12,000.00	3,348.00	258
79	MWI/KIDDP/02/09-10	Flash Disk 8 GB	9,850.00	3,348.00	194
7	MWI/QT/240/09-10	Water Dispenser	28,500.00	16,760.00	70
13	MWI/QT/146/09-10	Tonnners 12A	11,800.00	7,261.00	62
19	MWI/QT/146/09-10	Pental Pens pkt (Blue) Pkt. of 12 @ 2,250	187.50	150.00	25
20	MWI/QT/146/09-10	Pental Pens pkt (Black) Pkt. of 12 @ 2,250	187.50	150.00	25
22	MWI/QT/60/09-10	Printing Paper	450.00	347.00	30
84	MWI/NRM/01/09-10	Photocopying Paper A4	455.00	347.00	31
25	MWI/QT/60/09-10	Toner 53 A	15,000.00	7,889.00	90
34	MWI/QT/82/09-10	HP Laserjet Printer	78,000.00	25,380.00	207
35	MWI/QT/82/09-10	Laptop	123,000.00	55,458.00	121
60	MWI/QT/280/09-10	Laptop	118,500.00	55,458.00	114
77	MWI/KIDDP/01/09-10	Laptop	132,000.00	55,458.00	138
36	MWI/QT/126/09-10	Secretarial Chair	26,000.00	8,982.00	189
40	MWI/QT/126/09-10	UPS	48,000.00	6,410.00	649
41	MWI/QT/193/09-10	Flash Disks 2GB	5,000.00	1,212.00	312
45	MWI/QT/219/09-10	Toner 49A	12,250.00	7,776.00	57
46	MWI/QT/06/09-10	Executive Desk	75,000.00	71,804.00	4
48	MWI/QT/54/09-10	Filling Cabinets	27,500.00	17,602.00	56
	MWI/KIDDP/01/09-10	Filling Cabinets	18,500.00	17,602.00	5
49	MWI/QT/258/09-10	Toner 53A	15,600.00	7,889.00	97
67	MWI/QT/158/09-10	Toner 53 A	16,960.00	7,889.00	115
56	MWI/QT/275/09-10	Cement 50 KG	950.00	763.00	24

No.	Quotation No	Item	Purchase Price (Kshs.)	PPOA Market Price Index (Kshs.)	% above PPOA Market Price Index
57	MWI/QT/275/09-10	Sand Ton	4,500.00	1,395.00	222
62	MWI/QT/158/09-10	Box Files	435.00	162.00	168
64	MWI/QT/158/09-10	Pental Pens Pkt of 12 @ Kshs. 1,800	150.00	150.00	0
85	MWI/NRM/01/09-10	Hard Cover 3 quire	285.00	169.00	68
86	MWI/NRM/01/09-10	Envelopes A4 (Pkt. of 25)	175.00	118.00	48
87	MWI/NRM/01/09-10	Envelopes A5 (Pkt. of 25)	160.00	68.00	135
88	MWI/NRM/01/09-10	Biro Pens (Pkt.) Kshs. 725 per pkt. of 50	14.50.00	13.00	11
90	MWI/NRM/01/09-10	Box Files	285.00	162.00	75

Recommendation

The PE should seek to enhance value for money.

Response

The office has tried to compare the current market prices with those submitted by PPOA's office and a small difference was noted. This was after considering that all suppliers had to be charged 16% V.A.T. which is normally receipted at the Ministry's cash office. In addition to this, there is their normal profit which enables them survive in business. However, the PU will facilitate aggregation of the requirements and seek to obtain value for money by buying in bulk.

3.26 Contract Management

Findings

The team observed the following weakness in contract management:

- Contract files were not opened for all the contracts reviewed;
- There is no contract management plan;
- There is no file record relating to the release of bond security;
- Advance payment are not reflected in the procurement records;;
- Inception report for projects delivered not filed in the procurement file;
- Progress reports/works complete/time period completed are produced but not filed in the procurement file;
- Final report/completion of works/installation and Ministry not filed in the procurement files;
- Final payment records made are not recorded in the file; and
- There is no contract register maintained by PU.

Recommendations

PU to enhance management and administration of procurement contracts as provided in Chapter 9 of the General Manual.

Response

Management of contracts which are technical in nature are normally managed by the technical teams. In this ministry, the engineers do it and each case is handled independently. The procuring entity has internal controls on the procurement cycle. Evidence is found in various procurement files opened this financial year.

3.27 INVENTORY MANAGEMENT

- The Review team only managed to visit one store located on the first floor of the MWI headquarters. The team did not manage to visit the other stores due to constraints of time.
- The Review team only looked at stores records for the 1st half of the financial year 2010-2011, since other records were not available in the stores.
- The Ministry had a total of three (3) stores. There were two (2) – one (1) for the Land Reclamation, Irrigation & Drainage and another one for the rest of the departments in the headquarters that basically dealt with common user items; and another one in Eastleigh, Nairobi that basically dealt with chemicals
- The visited store visited was generally physically well maintained
- There was no Master Inventory Register. However, each of the MWI's office had its inventory register pinned to its door.
- There was a stock take for November 2010, but there was no stock taking reports in place
- There had been internal and external reorganisation (postings and deployments) but no hand-over reports had been prepared
- Some Store Ledger Cards (S3s) were updated whereas others were not updated – see different Counter Receipt Voucher (S13s), the different applicable Counter Requisition and Issue Vouchers (S11s), and the different applicable Stores Ledger and Stock Control Cards (S3s)
- Some Inspection and Acceptance Committee Reports were in place for items that had been received. However, some goods that ought to have been received by the I&AC had only been received by the stores officer
- The IT department had issued some certificates on IT equipment that the Ministry had received
- Copies of LPOs, Delivery Notes and Invoices were in place
- There were excess stocks of some items. They included: Conqueror papers, conqueror envelopes, stamp pads, front cover transparencies and back covers.
- There was existence of dormant obsolete equipment and stores including computer paper print outs, data media tapes and floppy disks
- There was no policy on treatment of losses, damages, surcharges, write offs, surpluses and dormant stores

Recommendations

- MWI should dispose-off obsolete and surplus stores. These included obsolete stores and equipment like computer paper print outs, data media tapes and floppy disks, and surplus stores like conqueror papers, conqueror envelopes, stamp pads, front cover transparencies and back covers.
- There was need to update stores records

- The MWI Headquarter stores should be merged for optimal working environment and for the purpose of bolstering the services offered by the stores. Review team only managed to visit one store located on the first floor of the MWI headquarters. The team did not manage to visit the other stores due to constraints of time.
- Efforts should be made to retain stores records in the stores.
- There is need for a Master Inventory Register.
- There was no stock taking reports to be put in place
- There was need for hand-over reports once postings and deployments
- There was need for policy on treatment of losses, damages, surcharges, write offs, surpluses and dormant stores

4 SPECIFIC FINDINGS

No.	DESCRIPTION	METHOD	AMOUNT Kshs	KEY FLAWS IDENTIFIED
1	MWI/QT/02/09-10 Drilling of one (1) No. Borehole in Waguthu/Gathanga Area	RFQ	1,982,750.00	<ul style="list-style-type: none"> Only minutes of Tender Committee meeting No. 1 (Minute 5) reviewed. Procurement file, bid documents, evaluation report, contract, contract management file etc not available for review
2	MWI/QT/03/09-10 Drilling of one (1) No. Borehole in Utawala – Embakasi area	RFQ	1,986,000.00	<ul style="list-style-type: none"> Only minutes of Tender Committee meeting No. 1 (Minute 6) reviewed. Procurement file, bid documents, evaluation report, contract, contract management file etc not available for review
3	MWI/QT/05/09-10 Supply of Counter, Curtains and Carpet (DWS)	RFQ	1,364,620.00	<ul style="list-style-type: none"> Lack of purchase requisition to initiate procurement (Reg. 22(1)) Lack of quotation opening record No Minutes of Tender Committee in the file. Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
4	WAB/QT/06/09-10 Supply of Office Equipment & Furniture	RFQ	201,00.00	<ul style="list-style-type: none"> Lack of purchase requisition to initiate procurement (Reg. 22(1)) Lack of quotation opening record Scheduled quotation opening date was 5/10/09 while actual opening was 27/10/09 No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg.7) Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3)) Specifications inadequate. Item specified as only Executive Desk and Bookshelf and the costs are 75,000 & 57,000 respectively.
5	MWI/QT/08/09-10 Equipping of Koitilial and Endoh Boreholes in Marakwet District Under Drought Emergency Programme	Tender	6,973,252.00	<ul style="list-style-type: none"> Bid documents not available for review Evaluation report not available for review but reproduced in the tender committee minutes Contract agreement not available for review. No procurement file No contract management file. Only Tender Committee minutes available for review
6	MWI/QT/11/09-10 Equipping of Matuu Hospital Borehole in Matuu Town	RFQ	3,790,175.00	<ul style="list-style-type: none"> Bid documents not available for review Evaluation report not available for review but reproduced in the tender committee minutes Contract agreement not available for review. No procurement file No contract management file. Only Tender Committee minutes available for review
7	MWI/QT/12/09-10	RFQ	9,958,272.00	<ul style="list-style-type: none"> Bid documents not available for review

No.	DESCRIPTION	METHOD	AMOUNT Kshs	KEY FLAWS IDENTIFIED
	Equipping of Kosovo, Makadara and EPZ Boreholes in Athi River and Kitengela			<ul style="list-style-type: none"> • Evaluation report not available for review but reproduced in the tender committee minutes • Contract agreement not available for review. • No procurement file • No contract management file. Only Tender Committee minutes available for review
	MWI/QT/13/09-10 Equipping of Nyakach Girls, Anyona and Riotero Boreholes in VSWSB	RT	12,428,407.25	<ul style="list-style-type: none"> • Bid documents not available for review • Evaluation report not available for review but reproduced in the tender committee minutes • Contract agreement not available for review. • No procurement file • No contract management file. Only Tender Committee minutes available for review
8	MWI/QT/22/09-10 ICT Items	RFQ	892,200.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg.7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
9	MWI/QT/30/09-10 Supply of Fabric Curtains, Sheers etc for PS office	RFQ	518,543.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg.7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
10	MWI/QT/32/09-10 Supply of Toners	RFQ	1,026,050.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • Scheduled quotation opening date was 4/9/09 while actual opening was 9/9/09 • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg.7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3)) • Quotation for supply of toners but also includes shredding machine which has no specifications. • Only copy of LPO for Kyeka Enterprises in file yet M/s Manbob Enterprises was to supply other items as per the award
11	MWI/QT/34/09-10 Drilling and casing of boreholes in	RT	8,688,000	<ul style="list-style-type: none"> • Direct Procurement method approved by the tender committee at its meeting No. 3 (Min. 6) held on 26th August 2009 but RT

No.	DESCRIPTION	METHOD	AMOUNT Kshs	KEY FLAWS IDENTIFIED
	Kabati, Giteero, Kiani, Ngitana, and Kuhuhia – Central Province under drought mitigation measurers			<p>method used and award made by tender committee at its meeting No. 4 (Min. 3) held on 23rd September, 2009.</p> <ul style="list-style-type: none"> • Licensed Water Contractors selected from Gazette Notice issued under the Water Act and invited to tender but list not approved by TC as required for restricted tendering • Bid documents not available for review • Evaluation report not available for review • Contract agreement not available for review. • No procurement file • No contract management file • The meeting that approved direct procurement method also approved direct procurement of hydrological surveys. They could therefore not be ready during bidding for the drilling.
12	MWI/QT/37/09-10 Drilling and casing of boreholes in Napetah, Renkomol and Nakabaren in Turkana Rift Valley Province under drought mitigation measures	RT	5,997,000	<ul style="list-style-type: none"> • Direct Procurement method approved by the tender committee at its meeting No. 3 (Min. 6) held on 26th August 2009 but RT method used and approval made by tender committee at its meeting No. 4 (Min. 3) held on 23rd September, 2009. • Licensed Water Contractors selected from Gazette Notice issued under the Water Act and invited to tender but list not approved by TC as required for restricted tendering • Bid documents not available for review • Evaluation report not available for review • Only contract agreement form signed on 29th September reviewed. Documents deemed to form and read and construed to be part of the agreement viz; letter of notification, quotation, work programme, letters of offer , hydrological survey report and equipment verification not attached to the contract. • No procurement file • No contract management file • The meeting that approved direct procurement method also approved direct procurement of hydrological surveys. They could therefore not be ready during bidding for the drilling.
13	MWI/QT/38/09-10 Drilling and casing of boreholes in Kahawa Sukari and Baba Ndonggo under drought mitigation measures	RT	4,206,000	<ul style="list-style-type: none"> • Direct Procurement method approved by the tender committee at its meeting No. 3 (Min. 6) held on 26th August 2009 but RT method used and approval made by tender committee at its meeting No. 4 (Min. 3) held on 23rd September, 2009. • Licensed Water Contractors selected from Gazette Notice issued under the Water Act and invited to tender but list not approved by TC as required for restricted tendering • Bid documents not available for review

No.	DESCRIPTION	METHOD	AMOUNT Kshs	KEY FLAWS IDENTIFIED
				<ul style="list-style-type: none"> • Evaluation report not available for review • Only contract agreement form signed on 29th September reviewed. Documents deemed to form and read and construed to be part of the agreement viz; letter of notification, quotation, work programme, letters of offer , hydrological survey report and equipment verification not attached to the contract. • No procurement file • No contract management file • The meeting that approved direct procurement method also approved direct procurement of hydrological surveys. They could therefore not be ready during bidding for the drilling.
14	MWI/QT/39/09-10 Supply of Computer Stationery	RFQ	1,655,000.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • Scheduled quotation opening date was 9/9/09 while actual opening was 11/09/09 • No Minutes of Procurement Committee Meeting. Only signed price comparison schedules recommending award. (Reg. 7) • Orders made for only 3 out of the 9 awards made • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
15	MWI/QT/47/09-10 Drilling and casing of boreholes in Kitui District (4 Sites) – Eastern Province under drought mitigation measures	RT	12,296,000	<ul style="list-style-type: none"> • Direct Procurement method approved by the tender committee at its meeting No. 3 (Min. 6) held on 26th August 2009 but RT method used and approval made by tender committee at its meeting No. 4 (Min. 3) held on 23rd September, 2009. • Licensed Water Contractors selected from Gazette Notice issued under the Water Act and invited to tender but list not approved by TC as required for restricted tendering • Bid documents not available for review • Evaluation report not available for review • Contract agreement not available for review. • No procurement file • No contract management file • The meeting that approved direct procurement method also approved direct procurement of hydrological surveys. They could therefore not be ready during bidding for the drilling.
16	MWI/QT/045/09-10 As per attached list (Curtains, sheers, linings plus other accessories including labour)	RFQ	689,000	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg.7)

No.	DESCRIPTION	METHOD	AMOUNT Kshs	KEY FLAWS IDENTIFIED
				<ul style="list-style-type: none"> • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
17	MWI/QT/51/09-10 Equipping of Ruaiaveld and Jetviewest Boreholes in Utawala, Embakasi Nairobi under drought emergency programme	RT	6,692,604	<ul style="list-style-type: none"> • Direct Procurement method approved by the tender committee at its meeting No. 3 (Min. 6) held on 26th August 2009 but RFQ method used and approval made by tender committee at its meeting No. 4 (Min. 3) held on 23rd September, 2009. • Licensed Water Contractors selected from Gazette Notice issued under the Water Act and invited to tender but list not approved by TC as required for restricted tendering • Bid documents not available for review • Evaluation report not available for review but copied in minutes • No procurement file. Only tender committee minutes and contract documents available for review. • No contract management file
18	MWI/QT/54/09-10 Filing Cabinets	RFQ	719,000.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg.7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3)) • Brand name and model of printer used (Reg. • Procurement File not complete. Quotation had 6 items and only copy of LPO No. 0817844 for filing cabinets in file. All copies of LPO 0817843 raised in favour of Pressure Point Systems amounting to Kshs. 517,000 still in LPO book uncommitted implying that award was made without confirming availability of funds. 4th Copy of LPO No. 0817845 in quotation book implying that order was issued. Other documents like invoice, delivery note not in file.
19	MWI/QT/78/09-10 Drilling of Boreholes 5 No. Boreholes in Tana Water Services Board Area (Oloyangalani, Enkoto, Ngatatani/Konza, Uvalini and Kikalumi)	RT	7,730,600.00	<ul style="list-style-type: none"> • Direct Procurement method approved by the tender committee at its meeting No. 3 (Min. 6) held on 26th August 2009 but RT method used and approval made by tender committee at its meeting No. 4 (Min. 3) held on 23rd September, 2009. • Licensed Water Contractors selected from Gazette Notice issued under the Water Act and invited to tender but list not approved by TC as required for restricted tendering • Bid documents not available for review • Evaluation report not available for review but copied in minutes

No.	DESCRIPTION	METHOD	AMOUNT Kshs	KEY FLAWS IDENTIFIED
				<ul style="list-style-type: none"> • Contract document not available for review • No procurement file. Only tender committee minutes available for review. • No contract management file
20	MWI/QT/80/09-10 Drilling of Boreholes 5 No. Boreholes in Norther Water Services Board Lagdera (2 No.), Fafi (2 No.) and Ijara (1 No.) under drought emergency programme	RT	19,493,500.00	<ul style="list-style-type: none"> • Direct Procurement method approved by the tender committee at its meeting No. 3 (Min. 6) held on 26th August 2009 but RT method used and approval made by tender committee at its meeting No. 4 (Min. 3) held on 23rd September, 2009. • Licensed Water Contractors selected from Gazette Notice issued under the Water Act and invited to tender but list not approved by TC as required for restricted tendering • Bid documents not available for review • Evaluation report not available for review but copied in minutes • Contract document not available for review • No procurement file. Only tender committee minutes available for review. • No contract management file
21	MWI/QT/082/09-10 ICT Items	RFQ	892,200.00	<ul style="list-style-type: none"> • There is a requisition which however has not been signed by the person initiating the procurement. (Reg. 22(2)) • Lack of quotation opening record • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg. 7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
22	MWI/QT/85/09-10 Drilling of Boreholes 3 No. Boreholes in Rift Valley Water Services Board Area – West Pokot, Koibatek and Marigat	RT	4,398,350.00	<ul style="list-style-type: none"> • Direct Procurement method approved by the tender committee at its meeting No. 3 (Min. 6) held on 26th August 2009 but RFQ method used and approval made by tender committee at its meeting No. 4 (Min. 3) held on 23rd September, 2009. • Licensed Water Contractors selected from Gazette Notice issued under the Water Act and invited to tender but list not approved by TC as required for restricted tendering • Bid documents not available for review • Evaluation report not available for review but copied in minutes • Contract document not available for review • No procurement file. Only tender committee minutes available for review. • No contract management file
23	MWI/QT/85/09-10 Drilling of Boreholes 3 No. Boreholes in Rift Valley Water Services Board Area – West Pokot, Koibatek and	RT	4,398,350	<ul style="list-style-type: none"> • Direct Procurement method approved by the tender committee at its meeting No. 3 (Min. 6) held on 26th August 2009 but RT method used and approval made by tender committee at its meeting No. 4 (Min. 3) held on 23rd September, 2009. • Licensed Water Contractors selected from Gazette Notice issued under the Water Act

No.	DESCRIPTION	METHOD	AMOUNT Kshs	KEY FLAWS IDENTIFIED
	Marigat			<ul style="list-style-type: none"> and invited to tender but list not approved by TC as required for restricted tendering • Bid documents not available for review • Evaluation report not available for review but copied in minutes • Complete Contract document not available for review • No procurement file. Only tender committee minutes and contract agreement form available for review. • No contract management file
24	MWI/QT/86/09-10 Equipping of Equipping of Waguthu Borehole in Rwaka Area and Gikapu Borehole in Utawala of Embakasi under drought emergency programme	RT	8,206,253	<ul style="list-style-type: none"> • Direct Procurement method approved by the tender committee at its meeting No. 3 (Min. 6) held on 26th August 2009 but RT method used and approval made by tender committee at its meeting No. 4 (Min. 3) held on 23rd September, 2009. • Licensed Water Contractors selected from Gazette Notice issued under the Water Act and invited to tender but list not approved by TC as required for restricted tendering • Bid documents not available for review • Evaluation report not available for review but copied in minutes • No procurement file. Only tender committee minutes and contract documents available for review. • No contract management file
25	MWI/QT/89/09-10 Drilling of Boreholes 3 No. Boreholes in Athi Water Services Board Area – Gorogo, Riabai and Kabete under drought emergency programme	RT	6,796,600.00	<ul style="list-style-type: none"> • Direct Procurement method approved by the tender committee at its meeting No. 3 (Min. 6) held on 26th August 2009 but RT method used and approval made by tender committee at its meeting No. 4 (Min. 3) held on 23rd September, 2009. • Licensed Water Contractors selected from Gazette Notice issued under the Water Act and invited to tender but list not approved by TC as required for restricted tendering • Bid documents not available for review • Evaluation report not available for review but copied in minutes • Complete Contract document not available for review • No procurement file. Only tender committee minutes and contract agreement form available for review. • No contract management file
26	MWI/QT/98/09-10 Equipping of Equipping of Nabuganda Health Centre Borehole in Samia District under drought emergency programme	RT	6,233,807.80	<ul style="list-style-type: none"> • Direct Procurement method approved by the tender committee at its meeting No. 3 (Min. 6) held on 26th August 2009 but RT method used and approval made by tender committee at its meeting No. 4 (Min. 3) held on 23rd September, 2009. • Licensed Water Contractors selected from Gazette Notice issued under the Water Act and invited to tender but list not approved

No.	DESCRIPTION	METHOD	AMOUNT Kshs	KEY FLAWS IDENTIFIED
				<ul style="list-style-type: none"> by TC as required for restricted tendering • Bid documents not available for review • Evaluation report not available for review but copied in minutes • No contract document available for review • No procurement file. Only tender committee minutes available for review. • No contract management file
27	MWI/QT/122/09-10 Supply of ICT Accessories	RFQ	328,000.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • No Minutes of Tender Committee in the file. • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
28	MWI/QT/126/09-10 ICT Equipment/ Furniture (Ass. Min. Office)	RFQ	482,000.00	<ul style="list-style-type: none"> • There is a requisition which however has not been signed by the person initiating the procurement. (Reg. 22(2)) • Lack of quotation opening record • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg. 7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3)) • ICT Equipment and Furniture in one quotation • Procurement file has only LPO for furniture although the equipment were also approved
29	MWI/QT/137/09-10 Calendars and Christmas Cards	RFQ	524,100.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • Scheduled quotation opening date was 16/11/09 while actual opening was 17/11/09 • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg.7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3)). • Specifications inadequate. Items specified as only calendars and Christmas Cards. The Calendars cost Kshs. 603, 700 no. making a total of Kshs. 422,100 while while the Christmas cards cost Kshs. 255, 400 No. making a total of Kshs. 255, 400 No. making a total of Kshs. 102,000.00
30	MWI/QT/140/09-10 Supply of Tonners	RFQ	675,000.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg.7)

No.	DESCRIPTION	METHOD	AMOUNT Kshs	KEY FLAWS IDENTIFIED
				<ul style="list-style-type: none"> • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
31	MWI/QT/144/09-10 Toners and Office Equipment	RFQ	2,281,500.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • Scheduled quotation opening date was 23/11/09 while actual opening was 26/11/09 • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg.7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
32	MWI/QT/145/09-10 Office Stationery	RFQ	1,683,500.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • Scheduled quotation opening date was 23/11/09 while actual opening was 26/11/09 • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg. 7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
33	MWI/QT/146/09-10 Toners and Computer Stationery	RFQ	1,606,500.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg. 7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
34	MWI/QT/151/09-10 Aquatab (Chlorine Tablets)	RFQ	500,000.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg. 7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3)) • Only copies of the quotation, confidential business questionnaire and price schedule in file.
35	MWI/QT/156/09-10 Tonners and Office Stationery	RFQ	508,000.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • Scheduled quotation opening date was 23/11/09 while actual opening was 26/11/09 • No Minutes of Procurement Committee Meeting. Only signed price comparison

No.	DESCRIPTION	METHOD	AMOUNT Kshs	KEY FLAWS IDENTIFIED
				<p>schedule recommending award. (Reg. 7)</p> <ul style="list-style-type: none"> • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
36	MWI/QT/157/09-10 Supply of Toners	RFQ	848,000.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • Scheduled quotation opening date was 9/12/09 while actual opening was 10/12/09 • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg. 7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
37	MWI/QT/158 /09-10 Toners/Flash Disk/Stationery	RFQ	884,610.00	<ul style="list-style-type: none"> • There is a requisition which however has not been signed by the person initiating the procurement. (Reg. 22(2)) • Lack of quotation opening record • Scheduled quotation opening date was 9/12/09 while actual opening was 10/12/09 • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg. 7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
38	MWI/QT/160/09-10 Supply of Toners/ Office Stationery	RFQ	385,000.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • Quotation opened and signed by only two people • Scheduled quotation opening date was 14/12/09 while actual opening was 15/12/09 • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg. 7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3)) • Specifications of printing paper incomplete i.e. no size e.g. A4, grammage
39	MWI/QT/164 /09-10 Rehabilitation of Mangu High School Sanitation System	RFQ	3,735,016	<ul style="list-style-type: none"> • Bid documents not available for review • Amount above RFQ threshold • Splitting of procurement (see MWI/QT/166 /09-10 below) • No procurement file
40	MWI/QT/166 /09-10 Rehabilitation of Mangu High School Sanitation System	RFQ	1,232,000.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • Item above threshold of quotation. LPO No. 0918059 of Kshs. 1,232,000(First schedule of regulations). • No Minutes of Tender Committee in the file.

No.	DESCRIPTION	METHOD	AMOUNT Kshs	KEY FLAWS IDENTIFIED
				<ul style="list-style-type: none"> • Procurement within threshold of tender Committee but No evaluation done (Reg. 16(1) and no evaluation team appointed Reg. 16(3)) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3)) • Amount above quotation threshold as items seemed to have only been supplied
41	MWI/QT/193/09-10 Flash Disks 2 GB	RFQ	100,000.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • No Minutes of Tender Committee in the file. • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
42	MWI/QT/219/09-10 Toners	RFQ	490,000.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • Scheduled quotation opening date was 15/2/09 while actual opening was 19/02 /09 • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg.7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
43	MWI/QT/258/09-10 Toner 53A	RFQ	156,000.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg.7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
44	MWI/QT/275/09-10 Building Materials	RFQ	390,300.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • Scheduled quotation opening date was 26/3/10 while actual opening was 18/3/10 • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg.7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
45	MWI/QT/280/09-10 Desktop Computer and other Accessories	RFQ	300,000.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • Scheduled quotation opening date was 26/3/10 while actual opening was 18/3/10 • No Minutes of Procurement Committee Meeting. Only signed price comparison

No.	DESCRIPTION	METHOD	AMOUNT Kshs	KEY FLAWS IDENTIFIED
				<p>schedule recommending award. (Reg.7)</p> <ul style="list-style-type: none"> • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
46	MWI/QT/289/09-10 Toners/Yellow Stickers and Flash disks	RFQ	1,311,400.00	<ul style="list-style-type: none"> • There is a requisition which however has not been signed by the person initiating the procurement. (Reg. 22(2)) • Lack of quotation opening record • Scheduled quotation opening date was 30/3/10 while actual opening was 15/4/10 • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg. 7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
47	MWI/QT/290/09-10 Toners	RFQ	954,500.00	<ul style="list-style-type: none"> • There is a requisition which however has not been signed by the person initiating the procurement. (Reg. 22(2)) • Lack of quotation opening record • Scheduled quotation opening date was 30/3/10 while actual opening was 15/4/10 • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg. 7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
48	MWI/QT/306/09-10 Software	RFQ	445,100.00	<ul style="list-style-type: none"> • There is a requisition which however has not been signed by the person initiating the procurement. (Reg. 22(2)) • Lack of quotation opening record • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg. 7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
49	MWI/QT/308/09-10 ICT Items	RFQ	156,000.00	<ul style="list-style-type: none"> • There is a requisition which however has not been signed by the person initiating the procurement. (Reg. 22(2)) • Lack of quotation opening record • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg. 7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3)) • Quotation includes a laptop which was not inspected by technical people.
50	MWI/QT/312/09-10 Carpet, Blinds, Furniture, Water Dispenser & Floor Mat	RFQ	1,071,702.00	<ul style="list-style-type: none"> • There is a requisition inform of an internal memo. • Lack of quotation opening record • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg. 7)

No.	DESCRIPTION	METHOD	AMOUNT Kshs	KEY FLAWS IDENTIFIED
				<ul style="list-style-type: none"> • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
51	MWI/QT/326 /09-10 Supply and Delivery of Electrical and Maintenance Tools	RFQ	497,000.00	<ul style="list-style-type: none"> • There is a requisition which however has not been signed by the person initiating the procurement. (Reg. 22(2)) • Lack of quotation opening record • Scheduled quotation opening date was 27/4/10 while actual opening was 4/5/2010 • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg. 7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3))
52	MWI/QT/337/09-10 Letterheads	RFQ	175,000.00	<ul style="list-style-type: none"> • There is a requisition which however has not been signed by the person initiating the procurement. (Reg. 22(2)) • Lack of quotation opening record • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg. 7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3)) • Price of 17,500 per ream
53	MWI/QT/348/09-10 Multifunctional Copier	RFQ	400,000.00	<ul style="list-style-type: none"> • The procurement file has only copy of LPO, delivery note, invoice and counter receipt voucher (S 13).
54	Tender No. MWI/02/2009-2010 Provision of airtime and calling cards	ONT	As & when required	<ul style="list-style-type: none"> • No Procurement File. Only tender documents reviewed. • Standard tender documents used but sections like ITB, Technical Specifications, Description of services missing. Requirements and conditions in the price schedule. • Evaluation Committee not appointed. • No evaluation Report • No contract prepared therefore no contract signed yet award was for a period of one year.
55	Tender No. MWI/03/2009-2010 Provision of Cleaning Service	ONT	2,620,500.00	<ul style="list-style-type: none"> • No Procurement File. Only tender documents reviewed. • Standard tender documents used but sections like ITB, Technical Specifications, Description of services missing. Requirements and conditions in the price schedule. • Evaluation Committee not appointed. • No evaluation Report • No contract prepared therefore no contract signed yet award was for a period of one year.
56	Tender No. MWI/04/2009-2010 Provision of Security	ONT	2,578,680.00	<ul style="list-style-type: none"> • No Procurement File. Only tender documents reviewed. • Standard tender documents used but

No.	DESCRIPTION	METHOD	AMOUNT Kshs	KEY FLAWS IDENTIFIED
	Services			<p>sections like ITB, Technical Specifications, Description of services missing. Requirements and conditions in the price schedule.</p> <ul style="list-style-type: none"> • Evaluation Committee not appointed. • No evaluation Report • No contract prepared therefore no contract signed yet award was for a period of one year.
57	Tender No. MWI/05/2009-2010 Provision of Sanitary Disposal Services	ONT	111,360.00	<ul style="list-style-type: none"> • No Procurement File. Only tender documents reviewed. • Standard tender documents used but sections like ITB, Technical Specifications, Description of services missing. Requirements and conditions in the price schedule. • Evaluation Committee not appointed. • No evaluation Report • No contract prepared therefore no contract signed yet award was for a period of one year.
58	Tender No. MWI/06/2009-2010 Supply of Flower Vases	ONT	680,000.00	<ul style="list-style-type: none"> • No Procurement File. Only tender documents reviewed. • Standard tender documents used but sections like ITB, Technical Specifications, Description of services missing. Requirements and conditions in the price schedule. • Evaluation Committee not appointed. • No evaluation Report • No contract prepared therefore no contract signed yet award was for a period of one year.
59	Kenya Italy Department for Development Programme (KIDDP) MWI/ KIDDP/01/09-10 Supply of Office Equipment	RFQ	721,700.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • Scheduled quotation opening date was 16/10/09 while actual opening was 17/11/10 • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg.7) • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3)) <p><i>(Note: The project agreement was not made available but the procurement process was similar to other undertaken by the Ministry)</i></p>
60	Kenya Italy Department for Development Programme (KIDDP) MWI/ KIDDP/02/09-10 Supply of Office	RFQ	355,010.00	<ul style="list-style-type: none"> • Lack of purchase requisition to initiate procurement (Reg. 22(1)) • Lack of quotation opening record • No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg.7) • Goods not inspected and accepted by the Inspection and Acceptance Committee

No.	DESCRIPTION	METHOD	AMOUNT Kshs	KEY FLAWS IDENTIFIED
	stationery			(Reg. 17 (2) & (3)) (Note: The project agreement was not made available but the procurement process was similar to other undertaken by the Ministry)
61	Kenya Italy Department for Development Programme (KIDDP) MWI/ KIDDP/03/09-10 Insurance for motor vehicle	RFQ	140,000	<ul style="list-style-type: none"> Lack of purchase requisition to initiate procurement (Reg. 22(1)) Lack of quotation opening record Scheduled quotation opening date was 12/2/10 while actual opening was 19/2/10 No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg.7) Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3)) (Note: The project agreement was not made available but the procurement process was similar to other undertaken by the Ministry)
62	Kenya Italy Department for Development Programme (KIDDP) Purchase of motor vehicle Toyota Prado using Supplies Branch contract No. S/6995	-	3,984,458	<ul style="list-style-type: none"> Vehicles not inspected
63	Training	RFP	286,280	<ul style="list-style-type: none"> Procurement File only has extract of Tender Committee meeting no. MWI/05/14/09-10, copy of LSO No. 0304563 and payment voucher No. 0131. RFP documents, evaluation report not in file.
64	KIDDP Consultancy Services for on audit on the impact of extra ordinary tariff adjustment and prioritization of the regular tariff review applications.	RFP		<ul style="list-style-type: none"> Procurement File only has extract of Tender Committee meeting no. MWI/16/06/09-10. RFP documents, evaluation report not in file.
65	National Resources Management Project (NRM) i) MWI/NRM/01/09 -10 – Office Stationery ii) MWI/NRM/02/09 -10 – Curtains iii) MWI/NRM/03/09 -10 – Office Stationery iv) MWI/NRM/04/09 -10 – Extension	RFQ	134,132.00 66,285.00 114,035.00 160,505.00	<ul style="list-style-type: none"> There is a requisition which however has not been signed by the person initiating the procurement. (Reg. 22(2)) Lack of quotation opening record No Minutes of Procurement Committee Meeting. Only signed price comparison schedule recommending award. (Reg. 7) Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3)) (Note: The project agreement was not made available but the procurement process was similar to other undertaken by the Ministry)

No.	DESCRIPTION	METHOD	AMOUNT Kshs	KEY FLAWS IDENTIFIED
	Cable, Electric Burner and Toners			
66	National Resources Management Project (NRM) MWI/NRM/01/09-10 – Supply of Office Equipment	RFQ	303,000.00	<ul style="list-style-type: none"> • Indicated that equipment are as per specs but there are no specs in file • RFQ scheduled opening was 15/6/10 but actual opening was 18/6/10 • Evaluation done but report not signed • Goods not inspected and accepted by the Inspection and Acceptance Committee (Reg. 17 (2) & (3)) • Equipment make, model and S/No. not indicated anywhere in the documentation
67	Direct Procurement of Water Tanks under Drought Emergency Programme (NEGOTIATIONS HELD WITH THREE MANUFACTURERS OF TANKS AND AWARDS MADE TO THE LOWEST FOR EACH CAPACITY)	DP	159,736,864	<ul style="list-style-type: none"> • Only the following documents available for review: minutes of Tender Committee meetings that approved procurement method and award ; Negotiation reports, signed contract forms; and price lists. • Two sets of minutes of meeting No. 2 held on 12th August, 2009 prepared. One held in the morning at 9.00 that approved DP method and negotiations and the other held in the afternoon that approved award. • Negotiation team not appointed by Accounting Officer (Reg.) • No Procurement file with communication between the PE and Bidders yet the award amounts are huge; Kentainers 2,470 of 10,000 litre tanks at a total cost of Kshs. 128,440,000; Poly tanks 132 pcs of 16 litre tanks at a total cost of Kshs. 15,648,864; Roto moulders 88 pcs of 24,000 litres tanks at a total of 15,708,000.00. • No documents to show that the tanks were delivered • Procurement not reported to PPOA
68	Direct Procurement of Water Bladders (Collapsible Water Tanks). Was to submitted to WB	DP	93,593,300	<ul style="list-style-type: none"> • Only the following documents available for review: minutes of Tender Committee meetings that approved procurement method and award; Negotiation reports, signed contract form; and price list. • Two sets of minutes of meeting No. 3 held on 26th August, 2009 prepared. One held from 2.00 p.m. until 5.00 p.m. (meeting had other agenda) that approved DP method and negotiations and the other held in from 4.20 p.m. and ending at 5.15 that approved award. • Negotiation team not appointed by Accounting Officer (Reg.) • No Procurement file with communication between the PE and Bidders yet the award amounts are huge. • Contract, contract management file etc not available for review • Procurement not reported to PPOA

No.	DESCRIPTION	METHOD	AMOUNT Kshs	KEY FLAWS IDENTIFIED
69	Extension of contract for supply and delivery of water treatment chemicals i.e. Calcium Hypochlorite (HTH) & Aluminium sulphae	-	-	<ul style="list-style-type: none"> <li data-bbox="889 275 1354 415">• The Tender Committee at its meeting No. 8 (Min. 4) approved extension but was not specific on the extension period which could go beyond the limit of 10% (Reg.)

5 COMPLAINT RATING

	Performance Indicator	Item	Scores				Max. Score	Actual Score
			3	2	1	0		
1	Functions of Accounting Officer (1)	The Accounting Officer is carrying out his responsibilities under Section 27 (2) of the PPDA and has ensured that the procuring entity fulfils its obligations by ensuring that all provisions of the PPDA, the PPDR and directives of PPOA are complied with	3				3	3
2	Functions of Procurement Unit (3)	The key procurement officials have professional qualifications in procurement and supply management from a recognised institution.	3				9	9
		The Head of Procurement Unit and key staff with procurement responsibilities have received training in PPDA, PPDR, and General Manual.			1		9	3
		The key procurement officials are members of a recognised Ministry of purchasing and supply.				0	9	0
		The functions of the Procurement Unit as set out in Regulation 8 of the PPDR are satisfactorily complied with		2			9	6
3	Functions of Tender Committee (3)	Tender Committee is established in accordance with PPDA and PPDR and holds regular meetings with minutes that conform to Regulation 12	3				9	9
		The functions of the Tender Committee as set out in Regulations 10 of the PPDR and Chapter 4.5 of the General Manual are satisfactorily complied with.		2			9	6
		The approvals by Tender Committee conform to Regulation 11.		2			9	6
4	Functions of Procurement Committee (3)	Procurement Committee is established in accordance with Regulation 13 and holds regular meetings with minutes that conform to Regulation 15	3				9	9
		The functions of the Procurement Committee as set out in Regulations 14 of the PPDR and Chapter 4.4 of the General Manual are satisfactorily complied with.		2			9	6
		The Procurement Committee has submitted quarterly reports to the Tender Committee on contracts it has awarded				0	9	0
5	Functions of the Disposal Committee (3)	The Disposal Committee is established in accordance with Section 128 and holds regular meetings with minutes.		2			9	6
		The functions of the Disposal Committee as set out in the PPDA, PPDR,		2			9	6

	Performance Indicator	Item	Scores				Max. Score	Actual Score
			3	2	1	0		
		and Chapter 12 of the General Manual are satisfactorily complied with.						
6	Functions of Evaluation Committees (3)	Evaluation committees have been appointed as and when required within the threshold of the Tender Committee				0	9	0
		The evaluation committees have undertaken technical and financial evaluation of tenders or proposals strictly in accordance with the compliance and evaluation criteria set out in the tender documents		2			9	6
		No person has been appointed to serve in the Evaluation Committee if that person is a member of the Tender Committee of the procuring entity	3				9	9
		Each member of the technical evaluation committee has evaluated independently from the other members prior to sharing his or her analysis in accordance with Regulation 16 (6)				0	9	0
		Evaluation committees have prepared a report analysing the tenders received and final ratings assigned to each tender and submitted the report to the Tender Committee in accordance with Regulation 16 (9)		2			9	6
		Tender evaluation has been completed within 30 days of tender opening (with a further 5 days allowed where there is separate financial evaluation)		2			9	6
7	Functions of Inspection and Acceptance Committee (3)	The Inspection and Acceptance Committee has been established and undertakes its functions in accordance with Regulation 17 of PPDR and Chapter 4.7 of the General Manual and makes appropriate use of quality assurance organisations or specialists where appropriate.			1		9	3
8	Systems and procedures for implementation of the procurement law and regulations (3)	There are comprehensive and written operational procedures and systems which are updated regularly, setting out how the PPDA, PPDR and directives are being implemented in the PE, as stipulated in Section 26(1)			0		9	0
		The Head of the Procurement Unit is generally aware of updated publications, directives, manuals, and standard documents prepared and distributed by PPOA			1		9	3
		The procurement publications are in a central location that is accessible to all persons who want to refer to them, as provided in Chapter 1.8 of the General Manual			1	0	9	3
		Manuals including the General Manual and guidelines are available to all			1		9	3

	Performance Indicator	Item	Scores				Max. Score	Actual Score
			3	2	1	0		
		persons involved in procurement related functions						
9	Threshold matrix and segregation of responsibilities (3)	The threshold applied conforms to Section 26 of PPDA and the category determined by Gazette Notice No. 719 of 24 January 2007 and the First Schedule of Regulations.		2			9	6
		The person responsible for procurement initiation for each procurement method and threshold is as provided for in the First Schedule of the PPDR			1		9	3
10	Record keeping of the procurement activities (3)	Adequate and comprehensive procurement records are maintained in accordance with relevant provisions of PPDA, PPDR and the Procurement Records Management Procedures Manual throughout the procurement process and provide sufficient information to enable an audit or independent review			1		9	3
		The procuring entity maintains a comprehensive and individual file for each procurement requirement containing all information, documents, and communications relating to that procurement proceeding with such files being marked with the relevant procurement reference number.			1		9	3
11	Procurement planning (3)	All procurements have been undertaken within the approved budget of the procuring entity and have been planned by the procuring entity through an annual procurement plan, as stipulated in Section 26 of PPDA			1		9	3
		The Heads of User Departments have submitted annual departmental plans to the Accounting Officer at least thirty days before the close of each financial year as stipulated in Regulation 20 (4)				0	9	0
		Where appropriate every significant procurement has an individual procurement plan in accordance with Chapter 6.5 of General Manual				0	9	0
		All procurements are undertaken on the basis of the consolidated procurement plan which is regularly updated and linked to the approved budget of the procuring entity and approved by the Head of the procuring entity and where applicable by the board of directors or a similar body			1		9	3
12	Purchase	Each procurement proceeding is initiated using an official procurement			1		6	2

	Performance Indicator	Item	Scores				Max. Score	Actual Score
			3	2	1	0		
	requisition (2)	requisition form containing all necessary information pertaining to the procurement in accordance with Regulation 22						
		The requisitions are generated from the consolidated procurement plan			1		6	2
13	Prequalification and registration of suppliers (3)	There is a standing list of registered suppliers prepared in accordance with Regulation 8 (3) (a)	3				9	9
		Prequalification for works, goods and services of complex and specialized nature is carried out in accordance with the procedures in Section 32 and Regulations 23-25 and the PE has ensured that tenders are sent to all pre-qualified suppliers and contractors			1		9	3
		Qualification to perform a contract is determined based on possession of the necessary qualifications, capability, experience, resources, equipment and facilities to provide what is being procured		2			9	6
		The PE has ensured a fair and equal rotation amongst the persons on the standing list of registered suppliers in respect of requests for quotations, as required by Regulation 59 (2) (c).	3				9	9
14	Specifications (3)	The procuring entity uses clear, objective, neutral and functional or technical specifications and in accordance with Section 34		2			9	6
15	Choice of procurement method (3)	Open tendering is the main procurement procedure as stipulated in Section 29			1		9	3
		Alternative procurement methods used by the PE are chosen in accordance with the criteria in Part VI of the PPDA		2			9	6
		Procurements are not split to evade the appropriate procurement method, in accordance with Section 30		2			9	6
16	Preference and reservations (3)	The PE has applied preferences and reservations in accordance with Section 39 and Regulation 28 and any Guidelines which may be issued				0	N/A	N/A
17	Standard Tendering Documents (3)	The prescribed procurement documents are used in accordance with Section 29 (4), Regulation 33 and the Third Schedule of the PPDR			1	0	9	3
18	Advertisement of tender	The procuring entity has taken such steps as are reasonable to bring the invitation to tender to the attention of those who may wish to submit	3				9	9

	Performance Indicator	Item	Scores				Max. Score	Actual Score
			3	2	1	0		
	opportunities (3)	tenders, in accordance with Section 54						
		Advertisements indicate the closing date, and time, with an invitation to bidders to attend the bid opening	3				9	9
19	Modifications to tender documents (2)	Any modification to tender documents are set out in an addendum which is promptly provided to each person who obtained the tender documents, as required by Section 53 (3)					NA	NA
20	Submission and receipt of bids (2)	A secure facility for the receipt of tenders has been provided at the designated tender location, with two locks with keys for each lock kept by a different officer and box remaining locked until the time for tender opening.	3				6	6
		Tender opening procedures are carried out in accordance with Section 60 and Regulation 45	3				6	6
21	Formation of contract (2)	Notification of acceptance of tender is given to successful and unsuccessful tenderers in accordance with Section 67			1		6	2
		Written contract is entered into in accordance with Sections 68-70		2			6	4
		Bond security released and recorded in procurement file				0	6	0
		Performance bond raised and recorded in procurement file				0	N/A	N/A
		Any advance payment is adequately secured by the performance bond or bankers guarantee and recorded in procurement file					N/A	N/A
22	Termination of proceedings (2)	Any termination of procurement proceedings has been carried out in accordance with Section 36 and approved by the Tender Committee				0	3	0
23	Notification to PPOA (1)	Notification is provided to PPOA of				0	3	0
		(a) Contracts over Ksh 5 million				0	3	0
		(b) Direct procurement over Ksh 500,000				0	3	0
		(c) Termination of procurement proceedings				0	3	0
		(d) Disposals to employees					N/A	N/A
24	Enquiries and Complaints mechanism (1)	There are systems and procedures for handling bidders' enquiries and complaints				0	3	0

	Performance Indicator	Item	Scores				Max. Score	Actual Score
			3	2	1	0		
25	Follow up of ARB decisions and recommendations (2)	The PE has taken adequate remedial action on any ARB decisions and observations made following appeal					N/A	NA
26	Value for money (3)	The PE has sought to maximize economy and efficiency and to obtain value for money in its procurements		2			9	6
		The PE has compared prices of common user items with the PPOA price index and Supplies Branch long-term contracted prices, where appropriate, and has procured standard goods, services and works with known market prices at the prevailing real market price, as required by Section 30 (3)			1		9	3
27	Contract management (2)	Contract management, including amendments and variations, is carried out in accordance with Section 47, Regulation 31 and Chapter 9 of the General Manual			1		6	2
	Total						462	231

N/A –the function was not evaluated hence maximum score netted off the overall rating.

Compliance level= $231/462*100=50\%$

6 ACTION PLAN

Item	Task	By	Timeline
1	The Ministry increase sensitization and advance training to all those staff responsible for key stages of the functions relating to procurement processes and records management. The senior management should be included in the training to acquaint themselves with the procurement law and regulations	AO/PU	30 th November 2011
2	PU should improve on all identified deficient areas of its functions and ensure that it undertakes its functions in accordance with Regulations 8 and General Manual	PU	26 th May 2011
3	TC should improve on all identified deficient areas of its functions and ensure that it undertakes its functions in accordance with Regulations 10-12 and General Manual	PU/TC	26 th May 2011
4	PC should improve on all identified deficient areas of its functions and ensure that it undertakes its functions in accordance with Regulation 13 and General Manual	PU/PC	26 th May 2011
5	The Disposal Committee should undertake all functions as set out in the Section 128(2). Regulation 92, Regulation 8(3)(p-q) and General Manual. An annual disposal plan should be prepared.	AO/PU	31 st July 2011
6	All identified weaknesses in tender evaluation procedures should be addressed	PU/TC	26 th May 2011
8	Develop operational systems and procedures for implementation of the PPDA and Regulations in the Board in accordance to Section 26 (1) and the first Schedule of PPDR(the Threshold Matrix)	AO/DA	30 th November 2011
10	PE should prepare consolidated procurement plan in accordance to the requirements of the PPDA, PPDR, and General Manual and ensure that all procurements are generated from the procurement plan. The Procurement Unit should not commence any procurement activity, which is not in the procurement plan. Head of departments to prepare their annual plans and submit to AO within 30 days before close of financial year.	CPO/AO	31 st July 2011
11	Introduce purchase requisition forms that meet the requirements of PPDR and General Manual for User Departments to initiate procurement processes.	PU	26 th May 2011
	Endorse budget line on all procurement documents for cross reference to the budgets	PU/ USERS	26 th May 2011
12	Prepare a prequalified list of all firms and individuals providing specialised services to the	AO/PU	26 th May 2011

Item	Task	By	Timeline
	Ministry to be used for restricted tendering.		
13	The PE should ensure a fair and equal rotation amongst the persons on the standing list of registered suppliers in respect of requests for quotations, as required by Regulation 59 (2) (c).	PU	26 th May 2011
14	Use alternative procurement methods strictly in accordance to Part VI of the PPDA.	AO/PU	26 th May 2011
15	Apply preferences and reservations in accordance with Section 39 and Regulation 28 and any guidelines which may be issued by PPOA	AO//PU	26 th May 2011
16	The Ministry to start using standard tender documents to initiate and process all procurements as provided in the PPDR and General Manual	AO/PU	26 th May 2011
17	Ensure that tender opening procedures are carried out in accordance with Section 60 and Regulation 45	PU	26 th May 2011
18	Ensure that all termination of procurement proceedings are done in accordance with Section 36 of PPDA and that notification is sent to PPOA as stipulated in the directives issued by PPOA.	PU	26 th May 2011
19	Prepare notification to PPOA for all: <ul style="list-style-type: none"> • Contracts over Ksh 5 million • Direct procurement over Ksh 500,000 • Termination of procurement proceedings • Disposals to employees 	PU	26 th May 2011
20	Develop systems and procedures for handling bidders' enquiries and complaints	AO/PU	26 th May 2011
21	Develop measurable mechanisms that seek to maximize economy and efficiency and to obtain value for money in the Ministry's procurements. Compare prices of common user items with the PPOA price index and Supplies Branch long-term contracted prices, where appropriate.	PU	26 th May 2011
22	Develop comprehensive contract management systems and procedures that comply with Section 47 of PPDA, Regulation 31 and Chapter 9 of General Manual	PU	26 th May 2011

7 CONCLUSION

We have reviewed procurement functions and procedures to verify whether they conform to the Public Procurement and Disposal Act 2005 and the related regulations. We have also assessed whether the functions comply with generally accepted good practices. We have identified deviations in general areas and procurement stages and attached ratings to them.

The major challenges in the Ministry are in the area of recordkeeping, data and documentation controls, and inadequate contract management. Retrieving records for review purposes was slow, time consuming and even for the files made available, some records pertaining to fulfilment of the procurement process were incomplete, limiting the review scope. The PU did not provide several records requested for the exercise despite several reminders.

We have included an action plan, which as discussed and agreed with the PE, for follow-up in our recommendations to ensure that the corrective measures are carried out in order to improve compliance, efficiency, and effectiveness in procurement management.

The office of the internal auditor needs to be strengthened through capacity building to verify, examine, and determine that individual transactions comply with the Act and regulations.

We are pleased that the Ministry of Water senior management welcomed the review exercise as a mechanism to identify and address any shortcomings and weaknesses in the compliance with Act and associated regulations. The management committed themselves to undertake remedial actions within the timeframe set out in the action plan.

Overall, MWI has demonstrated an unsatisfactory level of compliance at 53.2% (against the minimum threshold of 60%) with relevant PPDA, and the regulations and guidelines in respect of the sampled procurement transactions. The procuring entity should endeavour to improve their performance so that the PE will become compliant by organising training on various aspects of procurement law and regulations as pointed out in the report.

The Procurement Operational Manual should be shared with PPOA to ascertain that it conforms with the Act and Regulations.