

PUBLIC PROCUREMENT OVERSIGHT AUTHORITY
Transforming Procurement

FINAL REPORT

PROCUREMENT REVIEW

OF

NATIONAL SOCIAL SECURITY FUND

21 February 2011

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ACRONYMS

AO	Accounting Officer
FY	Financial Year
GOK	Government of Kenya
GRN	Goods Receipt Note
HQTS	Headquarters
IA	Internal Auditor
ICT	Information, Communications and Technology
IMIS	Integrated Management Information Systems
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
N/A	Not Applicable
ONT	Open National Tender
PC	Procurement Committee
NSSF	National Social Security Fund
PE	Procuring Entity
PI	Proforma Invoice
PO	Procurement Officer
PPDA	Public Procurement and Disposal Act
PPDR	Public Procurement and Disposal Regulations
PPOA	Public Procurement Oversight Authority
PR	Procurement Review
PU	Procurement Unit
PWC	PriceWaterhouseCoopers
RFP	Request for Proposal
RFQ	Request for Quotation
RPPSII	Reforming Public Procurement Systems II
SP	Satisfactory Performance
TC	Tender Committee
TP	Threshold Programme
USAID	United States Agency for International Development
VAT	Value Added Tax

EXECUTIVE SUMMARY

This report presents the findings of the procurement review of the National Social Security Fund (NSSF), carried out by consultants from Tetra Tech ARD together with PPOA from 9 September to 29 October 2010. The main objective of the exercise was to review the status of the PE's procurement, contracting and implementation processes and systems, in order to determine the Fund'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 the NSSF.

The review considered performance of procurement functions for the period 1 July 2008 - 30 June 2009. 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 NSSF during the period.

The scope of the review encompassed 27 key performance indicators of the NSSF's procurement and disposal procurement cycle from planning to completion. The review expected the PE to have reached a satisfactory level of compliance (60% and above) with the requirements of the PPDA, PPDR and all directives issued by PPOA in their procurement, disposal and contracting.

The fieldwork included an examination of the files and documents pertaining to the NSSF'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.

The team also reviewed the implementation of the findings and recommendations of prior internal audit reports carried out in 2008-2009. The PE did not make available the external audit reports to the review team. The team observed that the PE is not adequately implementing the recommendations of these prior assessments and audit reports that relate to 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. It is intended to review the implementation of the recommendations in the action plan in Chapter 6 after a three-month period from the date of the final report.

A limiting factor in carrying out the review was the inadequate filing system, records, data and documentation relating to the procurement processes selected. This caused some delay in the review fieldwork.

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

- The Accounting Officer is satisfactorily carrying out his responsibilities under the Act;

- In most cases NSSF uses technical specifications that are clear, objective, neutral, functional and conform with the requirements of the PPDR;
- NSSF has used open tendering as the main procurement method. During the period under review open tendering account for 49% of total procurement expenditure;
- There was a standing list of registered suppliers for the period under review;
- Fair and impartial procedures were in place in relation to receiving and opening of tenders;
- A secure facility for the receipt of tenders has been provided by NSSF; and
- The evaluation criteria are the same as those in the tender document and conform to the requirements.

The review team noted the following areas with minor deviations or weaknesses that need immediate attention of the Procurement Unit or user department:

- Absence of procurement requisitions.

The review team noted the following areas with moderate deviations or weaknesses that need immediate attention of the senior management:

- The team observed that the Procurement Unit is not taking any remedial actions on various observations and recommendations made in various Internal Audit Reports touching on the procurement processes;
- There is a training strategy and capacity but not linked with the PPOA training schedules and is not proactive in organising training and expert support for all staff involved in procurement related functions;
- There is need for more 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 state of procurement filing and contract documentation is deficient. The procurement records are fragmented between various files. This made it difficult for records retrieval and caused delays in establishing an audit trail of the procurement processes;
- There are no realistic estimates in all the internal memos used for initiating procurement processes;
- The consolidated procurement plan for the period under review is not updated to capture all the procurements undertaken;
- NSSF does not analyse their recurrent or ongoing requirements for medium to long-term needs with a view to making framework contracts. Many common user goods and services currently being procured on RFQ (currently 75% total number of reviewed transactions) should be placed under framework contracts in order to obtain the better prices associated with large volume procurements and to reduce administrative costs;
- The prices of common user items have not been compared with the PPOA price index;
- Lack of official standard purchase requisitions for initiating procurement activities;
- There are insufficient documented contract management procedures in place which monitor progress and conformity with the terms of contract; and
- No schedules of duties for initiating, certifying and approving officers.

The review team noted the following areas with major deviations or weaknesses that need immediate attention of the Accounting Officer:

- There is inadequate linkage between the budget planning process and the budget implementation process and there is a large difference between the planned procurement budget and the actual procurement expenditure made available to the review team. There are no individual procurement plans for the complex and specialized procurement proceedings as set out in Chapter 6 of the General Manual;
- There is no disposal plan that is linked to the budgetary framework and inventory management;
- The PE does not use purchase requisitions to initiate procurement proceedings in accordance with Regulation 22. The procurement proceedings are initiated using internal memos. There is no evidence from the internal memos used to initiate procurement that NSSF is adhering to the threshold matrix as provided in the Regulations;
- The purchasing requests are not generated from the consolidated procurement plan;
- The PE does not ensure that the estimate used to initiate procurement proceedings are realistic and based on up-to-date information on economic and market conditions;
- The procedures manual reviewed does not make any reference to the Act, Regulation and directives from PPOA;
- The PE does not place updated publications, directives, manuals, and standard documents prepared and distributed by PPOA in a central location that is accessible by all personnel handling procurement related functions. The contracts are jointly signed with the Chairman of the Board contrary to Regulation 7(c) which stipulates that the Accounting Officer will sign contracts for the procurement and disposal activities on behalf of the procuring entity for contracts entered into in accordance with the Act and the Regulations;
- The PE does not prepare quarterly reports for submission to TC of the awards by PC as required by Regulation 10(2)(n);
- Each member of the technical evaluation committee does not evaluate 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);
- The PE has not prepared an operational schedules manual that sets out the implementation of the PPDA, PPDR and the General Manual;
- There are no comprehensive individual procurement files opened in accordance with Regulation 34(3) and General Manual Chapter 9.2(a);
- The PE has not applied preference and reservations as provided in Section 39 of the PPDA;
- There is no documented complaints mechanism for handling bidders' enquiries and complaints;
- The PE has not established an Inspection and Acceptance Committee;
- The PE does not ensure a fair and equal rotation amongst the persons on the list of registered suppliers in respect to giving the requests for quotations as set out in Regulation 59(2)(c);
- The PE does not adhere to the notification of contracts to PPOA;
- The PE has not introduced comprehensive purchase requisition forms for user departments to initiate procurement processes;
- The PE does not open and maintain contract files that will facilitate adequate contract management;
- The PE does not compare all prices of common user items with the PPOA price index; and

- The PE does not file procurement and disposal reports with PPOA as stipulated in the Regulations.

We recommend that the NSSF management put in place the remedial action that will address all deviations identified in the report.

As specified in the Terms of Reference, we used the sample of procurement and disposal proceedings to evaluate 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 National Social Security Fund is calculated to be 50.3% with relevant PPDA, and the regulations and guidelines in respect of the sampled procurement transactions for the period reviewed. This is below the target of 60% compliance set in the Performance Monitoring Plan under RPPS II. Thus, the overall performance of the PE in procurement and disposal is not satisfactory and there are several significant weaknesses that need to be addressed.

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

1 INTRODUCTION

1.1 Purpose

This procurement review is one of 8 reviews to be carried out by Tetra Tech ARD and PPOA as part of the Reforming the Public Procurement System Phase II project. The National Social Security Fund (NSSF) was one of the entities selected by Public Procurement Oversight Authority (PPOA) for review under the current phase of the project.

An entry meeting with the PE's management team was held on 28 May 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 Tetra Tech ARD/PPOA review team to the entry meeting.

Mr Alex Kazongo, the Managing Trustee, led the PE management team that included the Head of the Procurement Unit.

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 was to review the status of NSSF'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 NSSF were in accordance with the Public Procurement Act and the associated Regulations;

- To establish NSSF 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 NSSF 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 3 months to establish whether these improvements have been implemented;
- To assist in clarification of areas where NSSF may have misunderstood the requirements of the legislation; and
- To determine challenges faced by the NSSF in the implementation of the Act.

1.5 Expectations

The review expected:

- The PE to have achieved a satisfactory level of compliance (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 PE for implementation of the procurement law, regulations and directives;
- The PE 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 Scope of procurement expenditure

1.6.1 Operational income and expenditure

Description	Kshs
Total revenue	12,453,851,000.00
Procurement expenditure (2008-2009)	2,358,677,024.00

Source – NSSF *Expenditure estimates budget revision*

Actual expenditure on procurement is approximately 18.9% of total planned revenue

1.6.2 Procurement Profile

The NSSF made available to the team a summary of 294 procurement proceedings and 1-disposal proceeding during the period under review. The PE provided procurement spend amount of Ksh 277,846,395.36 for the year and review against the procurement budget of Ksh 2,358,677,024.50 for the year under review. The difference is not accounted for by the procurement documents made available. Further investigations revealed that the information provided does not reflect the real picture of the procurement transactions undertaken by the PE.

The review team found that the following transactions did not go through the statutory procurement processes as set out in the PPDA:

Description	Budget
Repairs, Overhauls and servicing	16,176,500.00
Petrol	21,992,000.00
Tyres, Tubes and Batteries	4,485,500.00
Advertisement	150,539,011.80

The review covered a sample of transactions selected from the population of transactions executed by the PE from 1 July 2008 to 30 June 2009 period including works, goods, and services, to the extent possible.

1.6.3 Sampled procurement and disposal proceedings

The procurement review preselected 33 procurement proceedings and 1 disposal proceeding carried out by the NSSF under the PPDA during the 1 July 2008-30 June 2009 period, as set out in section 1.6.1.

Description	No of proceedings	Value of proceedings
Total procurement proceedings	294	277,846,395.36
Sample of procurement	33	249,441,200.00
Ratio of sample to total	3.3%	89.8%
Total on disposal proceedings	1	1,533,250.00
Sample of disposal proceedings	1	1,533,250.00
Percentage of sample to total disposal	100%	100%

List of procurement proceedings selected for review

	Tender No	Description	Method	Supplier	Amount (Ksh)
1	1/8/2009	(UPS) 3KVA	RFQ		2,819,150.00
2	1/8/2009	Fully integrated core system.	ONT	Terminated	
3	2/8/2009	Automated fingerprint identification system	ONT	Terminated	
4	3/8/2009	Selection of job Evaluation Consultants	ONT	Price Waterhouse Coopers	9,163,734.00
5	4/8/2009	Generator installation	ONT	Electrowatts Ltd	33,234,912.00
6	5/8/2009	Lifts Installation	ONT	Mitts Electrical Co. Ltd	18,995,000.00
7	6/8/2009	Wall Painting	ONT	Laton Engineering Ltd	15,126,200.00
8	8/8/2009	Part tps receipts	RFQ		417,600.00

	Tender No	Description	Method	Supplier	Amount (Ksh)
9	9/8/2009	Staff Tea Services	ONT	Prime Catering Services	6,431,153.00
10	10/8/2009	Selection of Strategic Plan Consultants	ONT	Vas Consultants Ltd	1,444,200.00
11	11/8/2009	Refurbishment of Hazina Estate	ONT	Kitho Civil & Engineering Co.	10,722,225.00
12	13 /08-09	Painting to View Park Towers	ONT	Laton Engineering Ltd	15,999,800.00
13	15 /08-09	Fitting of Vertical Blinds in NSSF Offices	ONT	Terminated	
14	16 /08-09	Consulting Services Forensic Audit	ONT	Terminated	
15	17 /08-09	Provision of Insurance Brokerage Services	ONT	various suppliers	100,433,459.00
16	20 /08-09	Security / Guarding Services	ONT	Gillys Security Ltd	5,151,400.00
17	20 /08-09	Security / Guarding Services	ONT	Race Guards Ltd	6,264,000.00
18	20 /08-09	Provision of Security	ONT	Protective Custody Ltd	11,692,800.00
19	20/08-09	HP super dlt tape cartridge	RFQ		49,700.00
20	22 /08-09	Customer Satisfaction Survey	ONT	S B O Research	2,987,197.00
21	22/08-09	Cabinets and chairs	RFQ		557,040.00
22	23 /08-09	Employee Satisfaction	ONT	S B O Research	1,634,440.00
23	24 /08-09	Sale of used Motor Vehicles	ONT	Auctioned and Sold	1,533,250.00
24	34/08-09	N.S.S.F forms fingerprint forms	RFQ		387,500.00
25	35/08-09	Toners	RFQ		757,059.00
26	44/08-09	Car window films	RFQ	Service	
27	53/08-09	Toner for Sharp photocopier	RFQ		169,806.00
28	59/08-09	Fax film/toner	RFQ		59,855.00
29	65/08-09	Bulk mobile filing units	RFQ	Terminated	
30	78/08-09	Collection sanitary bins	RFQ	Service	
31	1/8/2009	(UPS) 3kva	RFQ		2,819,150.00
32	2/8/2009	LCD monitors	RFQ		240,570.00
33	4/8/2009	Printing of Hazina news	RFQ		350,000.00
					249,441,200.00

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

1.7 Methodology

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

1.7.1 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 NSSF 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, General Manual, and prior internal audit reports. The review team did not receive any evidence that the NSSF staff had undergone sensitization training organised by PPOA, on aspects of Public Procurement management including the implementation of PPDA and PPDR.

Discussions/interviews were held with the following staff of NSSF who are involved in the procurement process in various roles either as users, Division/Department Heads.

	Title	Name
1	General Manager – Corporate Services/Corporate Affairs	H.Mwashumbe
2.	Chairman of PC	David Donde
3.	Chairman of Disposal Committee	
4.	Member of Inspection & Acceptance	
5.	Chairman of TC	
6.	Internal Auditor	Phillip Rapemo
7.	Head of PU	
8	Supplies Officer	Peter Munyoki
9	Assistant Supplies Officer	L.Midega
10	Supplies Officer	A.K.Baliach
11	Deputy Manager Finance	J.Mabiria
12	Deputy Manager	P.Kipsaita
13	General Manager	J.Tiampati
14	Deputy Manager	C.Edalia
15	GM Investments	T.Odongo
16	Assistant Manager	D.Kilu
17	General Manager	J.Kimote
18	Deputy Manager	P.Kitema
19	Investments Officer	M.Gikunda
20	Head of protective Services	G.M.Miigwa

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

It is important to note that despite several attempts, the review team was not able to meet with the Head of Procurement Unit to discuss their challenges or other issues relating to the review owing to the fact that she was away on official duty outside the country and her deputy was on leave.

1.8 Expected compliance

The team selected an estimated satisfactory compliance level of 60%, which was based on the current target for the RPPSII.

1.9 Key Performance Indicators and rating criteria

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 (3)** - Procurements where serious weaknesses could cause material financial, regulatory or reputational risks warranting immediate attention by senior management;
- **Moderate Risk (2)** - 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 (1)** 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”, provided that there is 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.

1.10 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 following documents/information requested was were not made available

(a) Signed contracts as per list as follows:

9/2008-2009
5/2008-2009
4/2008-2009
23/2008-2009
22/2008-2009
20/2008-2009
16/2008-2009
15/2008-2009
13/2008-2009
11/2008-2009
10/2008-2009

- (b) Financial Statements for the period 2008-2010;
- (c) List of NSSF personnel that have undergone training in procurement law and regulations;
- (d) Tender Committee members both full and alternate(Format attached);
- (e) Appointment letters for Kisumu Tender Committee members;
- (f) Procurement Committee members;
- (g) Schedule of duties that sets out operations of Third Schedule;
- (h) Performance bonds received;
- (i) Summary of terminated procedures for the following tenders:

1/8/2009	Fully integrated core system.	ONT	Terminated
2/8/2009	automated fingerprint identification system	ONT	Terminated
15 /08-09	Fitting of Vertical Blinds in NSSF Offices	ONT	Terminated
16 /08-09	Consulting Services Forensic Audit	ONT	Terminated
65/08-09	Bulk mobile filing units	RFQ	Terminated

(j)Procurements of vehicles undertaken from Supplies branch contracted prices;

(k)The following reports;

- Appeals and review Board;
- KACC Examination;
- External audit;

- Accounting summary of payment to suppliers for the period under review;
 - (l) Delivery documents for the generator from Electrowatts of tender 4/2008-2009;
 - (m) Schedule for meeting the management teams as discussed;
 - (n) Members of the Inspection and Acceptance Committee; and
 - (o) The current organisation chart of NSSF.
- Lack of documented internal control manuals relating to initiation, certification and approvals at various levels.

2 ORGANIZATION OF NSSF

2.1 Vision of NSSF

To be a world class centre of excellence in the provision of social security.

2.2 Mission of NSSF

To provide quality basic social security to members through registration, collection of contributions , prudent fund management and timely payment of the benefits.

2.3 The organisation of NSSF

NSSF is a tripartite organization run by the Government, workers and employers with representation from the board of trustees, the Government, Federation of Kenya Employers and the Central Organization of Trade Unions Kenya. In formulating the PE's policies, the Board of Trustees acts strictly in accordance with the NSSF Act, which places the best interests of NSSF members above all other considerations. The Board of Trustees delegates the day-to-day management of the PE to the Managing Trustee who serves as the Chief Executive Officer of NSSF and other members of staff under various divisions namely:

- **Social Security Division**
 - Registers employers and employees;
 - Collects contributions and valid returns;
 - Verifies schedules for updating accounts and benefit payments;
 - Processing benefits.
- **Investments Division**
 - Manages NSSF's investments.
 - Develops and manages NSSF projects.
- **Corporate Affairs / Company Secretary**
 - Provides legal advice to NSSF and manages all the PE's legislative activities in liaison with external advocates.
 - Manages Relations with the Media

 - Responsible for Ethics and Integrity.
 - .
- **Operations Division**
 - Formulates financial policies, procedures and systems;
 - Prepares annual budgets and budget controls, periodical financial statements and Reports and cash flow projections.
 - Coordinates Procurement of goods, works and services for the Fund.
 - Manages the provision of logistical/support services that facilitate the operations of the PE (e.g., security, transport, etc.);
 - Responsible for human resource management within NSSF (including staff recruitment and selection, training and development, and industrial relations.
 - Develops, implements, and maintains computer systems as well as being in charge of all Information Technology infrastructure for the entire organisation.
 - Responsible for Marketing and Brand.
 - Oversees customer care training and supervision;

- **Strategy, Research and Development Division**
 - Oversees the NSSF's reform process.
- **Managing Trustee Department**
 - This division is responsible for overseeing the overall operations of NSSF and it is headed by the Managing Trustee.
- **Internal Audit Department**
 - Ensures the PE's corporate plans, policies, and procedures are complied with and carried out efficiently and effectively in accordance with the PE's established goals and objectives.

The Accounting Officer for NSSF, Mr Alex Kazongo, is responsible for ensuring that the PPD Act, Regulations and the General Manual are adhered to. In this respect, his duties (PPDA Section.27, Regulation 7 and General Chapter 4.2) include:

- Ensuring that Heads of Procuring Entities within the purview of the public entity shall comply with the provisions under the Procurement and Disposal Act and the Regulations;
- Ensuring that Procuring Entities establish committees in accordance with the Public Procurement and Disposal Act and the Regulations;
- Ensuring that Procuring Entities establish a Procurement Unit staffed to an appropriate level with procurement professionals;
- Signing contracts for the public procurement and disposal activities on behalf of the Procuring Entity for contracts entered into in accordance with the Act and the Regulations;
- Ensuring that the procurement plans are approved and reviewed as necessary;
- Any other functions provided for in the Public Procurement and Disposal Act, the Regulations or as may be directed by the PPOA.

3 FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

3.1 Functions of Accounting Officer

Finding

The Accounting Officer, is carrying out his responsibilities satisfactorily under PPDA Section.27, Regulation 7 and General Chapter 4.2. However, there are some weaknesses having regard to his responsibility at Regulation 7 and General Manual Chapter 4.2 as follows:

- Has not ensured that the procuring entity establishes a Inspection and Acceptance committee in accordance with the Act, the Regulations and General Manual Chapter 4.7;
- The contracts are jointly signed with the Chairman of the Board contrary to Regulation 7(c) which stipulates that the Accounting Officer will sign contracts for the procurement and disposal activities on behalf of the procuring entity for contracts entered into in accordance with the Act and the Regulations;
- Has not ensured that the procurement plans are prepared and updated for all procurement proceedings undertaken by the procuring entity. The large variance between the planned procurements in the procurement plan and the actual procurement expenditure made available to the review team could not be explained;
- Has not ensured that the procuring entity properly documents procurement proceedings and manages records in accordance with the Regulations and the General Manual;
- Has not issued an appropriate Administrative Guides to clarify and implement Circulars issued by the PPOA as set out in the General Manual Chapter 4.2(B)(viii) including maintaining names and specimen signatures of all of the persons authorized to make approvals within the procurement process irrespective of if the person has direct or delegated approval authority(General Manual Chapter 2(d);
- Did not appoint negotiating team for tender No. 22/2008-2009. The evaluation committee recommended the award for the consultancy for customer satisfaction survey and contributions/market needs assessment to M/S SBO Research at Kshs 3,319,108.00. The committee also recommended negotiations. Hand written note on the minutes, the Head of Procurement Unit noted that negotiations were done and the firm gave 10% discount to bring the discounted tender sum to Kshs 2,987,197.00; and
- Does not report contract notification to the PPOA in accordance with directives of the PPOA as set out in the General Manual Chapter 4.2(B)(ix) and PPOA Circular No 4/2009 of 24 June 2009;

Recommendations

- The Chairman of the Board be advised on the provisions set out in the PPDA and PPDR; and
- The Accounting Officer should ensure that the weaknesses identified are addressed.

Response:

- *Involvement of the Board Chairman in signing contracts is based on the provisions of the National Social Security Fund Act CAP 258 Laws of Kenya which governs the Fund's operations since inception. Under the provisions of the NSSF Act a contract is executed by the Managing Trustee and Chairman under seal. The cure therefore lies with harmonization of the two Acts .*

In the meantime, the Fund will seek an interpretation from the Hon. Attorney General on the implications of the Chairman not executing Fund contracts and whether the said transactions will be valid . The AG's interpretation will also be sought as to which Act takes precedence over the matter in question.

PPOA is requested to advise in light of Section 4 of the NSSF Act which establishes NSSF as a body corporate.

Further, sensitization by the PPOA to NSSF management and various procurements committees on this matter is required. Besides, NSSF would like to have a liaison person/office within PPOA where crucial procurements concerns and queries will be channelled for redress and advice before execution of the same.

- *The variance in the procurement plans amongst other factors was necessitated by the ICT project which was budgeted at Ksh. 900 million and did not materialise during the financial year under review. However, the same will be implemented under the 2010/11 financial year*
- *All other recommendations shall be implemented as appropriate.*

3.1.1 Number of trained persons and sensitized to the Procurement Procedures

Findings

The PE did not provide any information to confirm that they have participated in any training in procurement law and regulations organised by PPOA.

Recommendation

Although the PE has a training policy, strategy and work plan in place to ensure continued development of knowledge and skills in procurement functions, there are some areas where further training needs should be facilitated.

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

- Sensitization of new personnel of the PE in 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 liaise with PPOA to link the PE’s training strategy with PPOA training priorities.

Response

The recommendations shall be implemented accordingly.

3.2 Functions of Procurement Unit

Findings

NSSF established the PU in accordance with the PPDA and PPDR with a total staff of sixteen officers. Ms A.W Mbogo the Head of PU is responsible for day-to-day management of the Procurement Unit and is the Secretary to the TC.

The Procurement Unit’s key officials possess qualifications awarded by Chartered Institute of Purchasing and Supplies and are all members of KISM/CIPS.

	Name	Designation	Qualifications
1	Mrs. A. W. Mbogo	Deputy Manager (PS)	B Com (Hons), CIPS Graduate Diploma in Purchasing & Supply *Member KISM, CIPS
2	Mr. G. Mwandembo	Asst. Manager (PS)	B A (Hons), CIPS Graduate Diploma in Purchasing & Supply *Member CIPS
3	Mr. P.A. M Munyoki	Supplies Officer I	B Com (Hons), CIPS Graduate Diploma in Purchasing & Supply *Member KISM,
4	Mr. A. Baliach	Supplies Officer I	B A (Hons), CIPS Graduate Diploma in Purchasing & Supply *Member KISM, CIPS
5	Mr. J. Kanika	Supplies Officer II	B Com (Hons), Final Diploma in Supplies Management
6	Ms. R. A. Oluoch	Supplies Officer II	B Com (Hons), CIPS Graduate Diploma in Purchasing & Supply *Member KISM, CIPS
7	Mr. N. Okonda	Supplies Officer III	EACE, Final Dip in Supplies Management *Member KISM
8	Mr. Lucas Midega	Supplies Officer III	EACE, Final Dip in Supplies Management
9	Mrs. Jane Nguriathi	Supplies Officer III	B PSM, Dip in Purchasing & Supply Management *Member KISM,CIPS

The team noted the following weaknesses in the PU:

- The Procurement Unit has not opened procurement files with all supporting documentation pertaining to a specific procurement in accordance with Section 45 of PPDA, Regulation 34(3) and General Manual Chapters 6, 7, 8 and 9.2. The file contents are compulsory requirements for providing audit trails.
- Procurement Unit does not ensure that all procurement files, proceedings and contract agreements are clearly labeled with a unique and sequential identification code and date, along with the unique code of the corresponding expenditure file that contains

- the documentation reflecting the contractor claims, payment vouchers, and receipts of Goods, Services, Works and Consulting services delivered;
- There was some delays by the PU in furnishing the requisite procurement files and /or information requested by the review team to perform its duties as stipulated by the PPOA in accordance with the Public Procurement and Disposal Act, 2005 and the Government Financial Management Act, 2004;
 - The Head of Procurement Unit who is principally responsible has not recommended to the Accounting Officer the appointment of the Inspection and Acceptance Committee;
 - PU has not established and maintained such control of stores as will assure that the total cost involved will be kept to the minimum consistent with program needs as set out in the general Manual Chapter 11;
 - Procurement Unit is not taking substantive remedial actions on various observations and recommendations made in various Internal Audit Reports touching on the procurement processes that violate the requirements of PPDA and PPDR. The defects in the procurement processes therefore continue to recur;
 - Does not update annually standing lists of registered tenderers required by the procuring entity; (Regulation 8(3)(a));
 - Does not prepare contracts as set out in Regulation 8(3)(k);
 - Does not prepare notification reports to PPOA of all proceedings as set out in Section 46 of the Act and PPOA directives;
 - Does not prepare consolidated procurement plans in accordance with General Manual Chapter 6;
 - Does not update consolidated procurement plans to include changes;
 - Does not advise the procuring entity on aggregation of procurement to promote economies of scale in areas of the common user items including fuels, stationery and office supplies;
 - Does not prepare disposal plans in accordance with Regulation 8(3) (w);
 - Does not prepare quarterly reports of PC awards for submission to TC as required by Regulation 10(2)(n);
 - Does not monitor contract management by the User Departments to ensure implementation of the contracts in accordance with the terms and conditions of the contracts {Regulation 8(3)(t)};
 - Does not carry out periodic market surveys to inform the placing of orders or adjudication by the relevant award committee {Regulation 8(3)(z)}; and
 - Does not carry out periodic stocktaking of the stores, equipment and property; and should submit the annual stocktaking reports to the PPOA upon request as set out in the General Manual Chapter 11.7(h).

Recommendation

PU should improve on the all deficient areas in functions of the PU.

Although, the Authority is yet to issue a comprehensive definition of a procurement professional, KISM in their presentation to the conference “Towards Procurement Professionalism in Eastern Africa” on 15th – 17th September 2010 at the Whitesands Hotel, Mombasa, Kenya gave the following guidelines:

Academic & professional qualification

- ▶ Formal educational qualifications:

- PhD & MSc B.Sc Procurement
- ▶ Professional exams and certifications:
 - Graduate Diploma in PSM (CIPS UK)
 - Certified Professional in Supply Management (CPSM), ISM, USA)
- ▶ Be registered as members of professional Institution e.g. KISM

Response:

The recommendations shall be implemented accordingly

3.3 Functions of the Tender Committee

Findings

The PE has established a Tender Committee in accordance with Schedule II as below.

Name	Role	Date appointed
Joseph Akoya	Chairman	17.06.2009
Ishak Chanzu	Deputy Chairman	17.06.2009
Anastasia.Mbogo	Secretary	17.06.2009
Darlington Kemoni	Member	17.06.2009
Hope Mwashumbe	Member	17.06.2009
Esther Tum	Member	17.06.2009
Grace Kazungu	Member	17.06.2009
Jeridah Mbaka	Alternate	17.06.2009
Catherine Edalia	Alternate	17.06.2009
George Mwandembo	Alternate	17.06.2009
Caroline Odera	Alternate	17.06.2009
Joseph Mabiria	Alternate	17.06.2009

Tender Committee minutes for the following tenders were not made available to the team for examination;

- 13/2008-2009
- 09/2008-2009
- 15/2008-2009
- 17/2008-2009
- 16/2008-2009
- 22/2008-2009
- 23/2008-2009

The appointment letters of the following are listed as Tender Committee for the Kisumu Branch were not made available to the review team:

- P.B.Mastamet
- R.L.O.Okech
- Janet. A.Ochieng
- George Onyanha
- Shadrack Maiyo

The following specific weaknesses were found with the TC records and performance:

- Did not approve the award to the lowest evaluated price for the following contracts in accordance with Section 66(4) of the PPPDA;

Contractor	Description of Contract	Lowest evaluated price	Award price	Rank of the Bidder awarded
Protective Custody Ltd	Nyayo Estate			3rd
Brinks Security Services	Nyayo Estate Embakasi	7,885,070.00	9,821,952.00	5th
M/s total Security Surveillance	Social Security House - Mombasa			4th
	Hazina Plaza - Mombasa			3rd
M/s Factory Guards Ltd	SSH - Nairobi			2nd

- Does not to review, verify and ascertain that all procurement has been undertaken in accordance with the Act, Regulations and the terms set out in the tender documents. The following basic requirements of the Act and Regulations were not considered:
 - ✓ Regulation 22. (1) Every procurement requirement shall be initiated using a purchase requisition which shall include all necessary information pertaining to the procurement;
 - ✓ Regulation 22(2) when estimating the value of the goods, works or services, the procuring entity shall ensure that the estimate is realistic and based on up-to-date information on economic and market conditions;
 - ✓ Regulation 22 (3) that requires that purchase requisition shall be approved by the person specified in the First Schedule, prior to the initiation of procurement proceedings;
 - ✓ Does not ensure that tenders being adjudicated complies with Section 46 of PPDA;
 - ✓ Did not approve the choice of the procurement method for direct procurement of Qty 2 Volkswagen Passat 1.8 TSI from CMC in accordance with section 29(3);
 - ✓ There is no reference of the budget line, approved funds availability and if there was any negotiations in the minutes;
- Any dissenting opinions were not recorded;
- The meeting of the TC are not numbered; and
- Tender Committee does not review the quarterly reports on procurements that have been awarded by the Procurement Committee as set out in Regulation 10(2) (n).

Recommendation

- The Chairman of TC should be held accountable for granting an illegal provisional authority to award contract for the procurement of conference facilities to Sarova Whitesands Hotel at an total cost of Kshs 487,500 pending ratification by the Tender Committee as this is not provided for in the law;

- All members of the TC who approved the award for the protective services to the tenderers who were not the lowest evaluated bidders as per Section 66(4) of the PPDA should be held accountable for the excess costs incurred by the Fund; and
- All other identified weaknesses in TC operating procedures should be addressed and the PE should ensure that all members of the TC undergo training in procurement law and regulations.

Response

Award of the Security Contracts to various firms was based on the Fund Policy to spread risks and ensure equitable distribution among different Kenyan Security Firms. However, based on the review report, the identified weaknesses have been addressed. Currently, all security contract awards are based on a formula defined in the tender document.

The Fund Tender (FT) and Procurements Committees have since been re-constituted and all Head of Divisions (General Managers) appointed members to the Tender Committee. It is the objective of the accounting officer to ensure procurement matters at NSSF receive attention of the Top management staff in order to enhance accountability and adherence to procurement laws. NSSF will liaise with PPOA to carry out training sessions on procurement standards and guidelines to the tender/procurement committee members and other users.

3.4 Functions of the Procurement Committee

Findings

The Procurement Committee is established as below in accordance with Regulation 13 and holds regular meetings with minutes that conform to Regulation 15.

Members of Procurement Committee

Name	Role
Nancy Mwangi	Chairman
David Donde	Vice Chairman
Tom Atak	Member
David Ruto	Member
Victoria Langat	Member
G.M. Mwandembo	Secretary

The review team found the following weaknesses in the minutes of the PC, which contravened Regulation 15 (7):

- The Procurement Committee meetings are not numbered;
- There were delays in the preparation and signing of Procurement Committee minutes as follows:

Date of the PC meetings	Date signed
26/06/2009	07/09/2009
11/02/2009	12/03/2009
29/01/2009	11/02/2009
14/11/2009	29/01/2009
27/08/2008	29/01/2009
17/07/2008	29/01/2009

- The Chairman of the Procurement Committee granted provisional authority for the purchase of various goods and services then later had the Procurement Committee ratify the action as follows:

Minute No. 5/26-06/2008-2009 of 26-06-2009:

Quotation No	Supplier	Amount
63/2008-2009	Classic Mogul	121,800.00
66/2008-2009	Victoria Furniture	253,760.00
67/2008-2009	Jamba and Assocites	64,708.00
68/2008-2009	Maruti Office Supplies	319,000.00
Open Quotation	Computech Ltd	192,500.00
Open Quotation	Computech Ltd	154,000.00
Open Quotation	Computech Ltd	22,000.00
Open Quotation	Sarova Whitesands	487,500.00

The above procurement procedure is not in accordance with the Act and the Regulations

- There is no standard format and price comparison schedule for submissions to PC;
- The list of all matters considered does not refer to the tender or bid number; and
- The PC have approved 42 procurement proceedings of total value Ksh 2,652,446.1 undertaken through open quotations which did not follow the due process as set out in the Act (See 3.15.1 for details).

Recommendations

- The Chairman of the PC and the procurement officers who placed orders for the proceedings which did not conform with the provisions of the Act and regulations should be held accountable for their actions;
- The members of PC and the procurement officers who approved and placed orders for the proceedings based on open quotations which did not conform with the provisions of the Act and regulations should be held accountable for their actions;
- All other identified weaknesses in PC operating procedures should be addressed.

Response:

- *Provisional Authority by the Procurement Committee Chairman was necessitated by urgent requirements where the Committee could not convene immediately.*
- *Open quotations were used for the purpose of comparing market prices in direct purchases where the items were required urgently. Nonetheless, the practice has since ceased to be used. The committee has been re-constituted and Fund Tender Committee will have an oversight role on its operations including providing quarterly progress reports.*
- *All identified weaknesses shall be corrected.*

3.5 Functions of the Disposal Committee

Findings

The Disposal Committee is appointed as below and holds regular meetings with minutes.

Members of Disposal Committee (2008-2009)

Name	Role	Date appointed
Wycliffe Mutonyi	Chairman	17.06.2009
Anastasia Mbogo	Member	17.06.2009
Milka Bwondara	Member	17.06.2009
A.S.N. Ndwiga	Member	17.06.2009
Ishak Chanzu	Secretary	17.06.2009

The following deficiencies were found in the review:

- PU does not prepare disposal plans in accordance with Regulation 8(3)(w);
- There was no evidence that the recommendations of the committee were approved by the Accounting Officer in accordance with Section 129 and Regulation 92(4);
- The PE does not have written disposal operational procedures that set out the valuation, existence and control mechanism and makes allowances for scrap, obsolete, unusable, and slow moving, or overstocked item; and
- There are no comprehensive individual files for each disposal proceeding.

Recommendations

Procurement Unit should:

- Develop a disposal plan for all the obsolete equipment, furniture, fittings and other assorted items. Disposals should be integral part of planning process. This comprehensive disposal plan should be based on an annual review of assets and related to the procurement plan, as timing of disposal takes place when replacement is scheduled to be delivered;
- Establish and maintain such control of stores as will assure that the total cost involved will be kept to the minimum consistent with program needs as set out in General Manual Chapter 11.2; and
- Open comprehensive individual files for each disposal activity and where the disposal requirement involves feasibility studies and surveys directly carried out or accepted by the procuring entity in order to prepare the tender documents the reports and other documents resulting from these studies and surveys

Response

The Disposal committee has been re-constituted under the Chairmanship of a General Manager. This will ensure the committee receives top management attention in an effort to enhance adherence to the PPDA Act and improve on turnaround and service delivery to stakeholders and interested parties.

Other recommendations shall be implemented accordingly.

3.6 Functions of Evaluation Committee

Findings

For the tenders reviewed, the following generic weaknesses were observed:

- The PU did not propose the membership of evaluation committees to the Accounting Officer for approval in accordance with regulation 8(3) (g). The Accounting Officer on the PU request appointed the members of the evaluation committees at his/her discretion;
- The evaluation reports for tenders 15/2008-2009, 17/2008-2009, 22/2008-2009 and 23/2008-2009 were forwarded to the Accounting Officer for approval before they submit the report to the Tender Committee through the secretary contrary to Regulation 11(1);
- There was no evidence 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); and
- The following tender evaluation period exceeded the time set out in the Regulations 16(5) (b), 16(7) (b), & 46

Tender No	Contract value	Opening Date	TC date	Evaluation period
4/2008-2009	33,234,912.00	9.09.2008	10.12.2008	92 days
5/2008-2009	18,995,000.00	9.09.2008	10.12.2008	92days
6/2008-2009	15,126,200.00	10.09.2008	3.03.2009	174 days

Recommendations

The identified weaknesses in procedures should be addressed:

- The PU must nominate the members of the evaluation committees in accordance with the requirements of the PPDA, PPDR and General Manual;
- Each individual team member must evaluate the tender independently before sharing the analysis; and
- All tenders must be evaluated within the time limits set out in the Regulations.

Response

With the re-constitution of the tender and procurement committee coupled with restructuring of the procurement department where a substantive Manager has been appointed, the above anomalies will be corrected.

3.7 Functions of Inspection and Acceptance committee

Finding

The PE did not establish the Inspection and Acceptance Committee as set out in Regulation 17 which provides that a procuring entity shall establish an Inspection and Acceptance Committee composed of a chairman and at least two other members appointed by the Accounting Officer or the head of the procuring entity on the recommendation of the Procurement Unit.

Recommendations

- The PE should appoint the Inspection and Acceptance Committee for specific procurements as and when required so that the membership has reasonable knowledge of the commodities or services being inspected;
- While the review team noted that the standard *Inspection and Acceptance Report Form* will shortly be released by PPOA, the Procurement Unit should meantime develop interim certificates that conform to the requirements of the PPDR, to be certified by the Inspection and Acceptance Committee members after inspection of the complex goods, works and services; and
- Whenever appropriate the committee should undertake test for goods to determine their functionality instead of relying solely on visual and physical examination.

Response

The Fund has an ad-hoc Inspection and Acceptance Committee which comprises the User, Finance, Procurement and Security whenever the items are of capital nature. However, all the recommendations shall be implemented as appropriate with a view to making the committee permanent with an option of recruiting additional members and/or expects as may be necessary and in line with the provisions of the Act. Going forward, the fund will ensure finalisation and payment to suppliers is duly supported by a certificate of acceptance from this committee.

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

Findings

- The PE has not yet established procedures for implementing procurement decisions in accordance with Section 26(1);
- There is no procurement operational manual;
- The PE does not maintain specimen signatures to serve as a security reference basis for authenticating the authority of procurement documentation in accordance with General Manual Chapter 2.11(iv);
- The review team did not find any schedules of duties in the PE 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 updated publications, directives, manuals, and standard documents prepared and distributed by PPOA in accordance with Section 9(c) (i) of the PPDA to be used by procuring entities are not placed in a centralised location accessible by all those involved in the procurement related functions;
- The majority of the staff involved in the procurement related functions that the team spoke to were not familiar with the following manuals published by PPOA:
 - General Manual;
 - ICT Manual;
 - Insurance Manual;
 - Non-Intellectual Services Manual;

- Projects Manual;
- Works Manual;
- Directive Circular No 4/2009 which outline the requirements for the notifications to PPOA;
- Procurement Records Management Procedures Manual; and
- User Guide.

Recommendations

- The PE should put in place appropriate systems and procedures that distribute procurement information 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 that incorporates the requirements of the PPDA, PPDR and the General Manual.

Response

The recommendation shall be implemented as appropriate.

3.9 Threshold matrix and segregation of Responsibilities.

Findings

The PE did not provide schedules of duties to enable the review team to observe and 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

The recommendation shall be implemented as appropriate.

3.10 Poor record keeping and filing systems of the procurement documents

Findings

- The filing and record management of procurement documentation is very deficient;
- The procurement records were fragmented and different documents relating to procurement are kept by different offices, e.g. user departments;
- There are no comprehensive individual procurement files opened in accordance with Regulation 34(3) and, General manual Chapter 9.2(a);
- There are no Contract Files opened in accordance with Regulation and General Manual Chapter 9.3;

- There is inadequate labeling and filing of procurement documentation;
- All procurement records requested were not made available for inspection upon demand by the review team as in accordance with PPDA, and General Manual Chapter 2(d); and
- Negotiation records are not kept by the PU.

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 in other areas such as inventory management, budgeting and planning, and service delivery. Procurement expenditure analysis can provide answers to such questions as:
 - ✓ What was bought;
 - ✓ When was it bought;
 - ✓ With whom did we buy it; and
 - ✓ How much did we pay for it?
- The Procurement Unit should upgrade 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 recommendations of in the associated *Report on the Management of Records of the National Social Security Fund*, prepared by Tetra Tech ARD;
- The PU should ensure that a complete 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; and
- The entity needs to consult with the PPOA on the e-procurement systems being considered for future adoption.

Response

The recommendations shall be implemented as appropriate. NSSF will seek technical support from PPOA to implement these recommendations.

3.11 Procurement Planning

Findings

- There was an annual consolidated procurement plan for the period under review as stipulated in Section 26(3) (a) of the Act;
- The consolidated procurement plan does follow the format issued by the Authority as set out in Regulation 21(2) and General Manual Chapter 6.6;
- The annual procurement planning is not integrated with applicable budget framework as required by Regulation 20(2);
- Multi-annual, rolling work plans for procurement are not prepared by each User Department although the review team found some procurements which roll over and

there is no indication whether the requirements should be procured under single-year or multi-year arrangement (Regulation 20(3));

- The review team was not provided with the departmental annual plans submitted to the Accounting Officer as required by Regulation 20(4);
- There are no individual procurement plans for general services, consultancy services and civil works as provided in the General Manual Chapter 6.5;
- The protective services department was found to have inflated procurement budgets for the last three years

Financial Year	Budget	Actual	Variance	Actual
2007/2008	30m	14m	+16m	47%
2008/2009	40m	14m	+26m	35%
2009/2010	37M			

- The procurement plan reviewed did not have the following items as provided in the Regulation and General Manual:
 - A schedule of the planned delivery, implementation or completion dates for all goods, works, or services required (Regulation 21(b));
 - An indication and justification for whether it shall be procured within a single-year period or under a multi-year arrangement (Regulation 21(c));
 - An indication of which items can be aggregated for procurement as a single package or for procurement through any applicable arrangements for common-user items (Regulation 21(d));
 - An indication of which items shall be packaged into lots (Regulation 21(f));
 - An indication of the warehouse requirements for storing the planned procurement (General manual Chapter 6.2(xi));
 - An indication of the shelf life for any goods that may be perishable or degradable (General manual Chapter 6.2(xii));
 - An indication of the resources available for managing the procurement workload (General manual Chapter 6.2(xiii)); and
 - Details of any committed or planned procurement expenditure under existing multi-year contracts (General manual Chapter 6.2(xiv));
- There is no evidence that the procurement plans are regularly updated to accommodate changes during the year.

Recommendations

- Procurement 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 develop procurement plans that conform with the requirements of the Act, associated regulations and General Manual;
- 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 Procurement Unit 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

Consolidated Procurement Plans are in place. However, appropriate changes shall be made in order to comply with the recommendations.

3.12 Purchase requisitions

Findings

- The procurement processes are not initiated by the standard purchasing requisition forms as provided for by Regulation 22(1). Procurement processes are initiated by the internal memos 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). The review team did not find any evidence that the memo initiated by the Public Relations Department to procure media services amounting to over Ksh 150,539,011.80 was ever approved by the Accounting Officer. The Department went ahead and engaged various media houses and advertisement agencies without going through the procurement procedures in accordance with the Act and regulations;
- There is no budget line indicated on the memos to show source, allocation, and availability of funds in the budget for particular procurement, or authority to incur expenditure for the purchases requested; and
- The memos do not indicate that the estimated value of the goods, works or services are realistic and based on up-to-date information on economic and market conditions as provided in Regulation 22 (2).

Recommendations

- Following the receipt of the approved purchase requisition from the user department, the Procurement Unit should prepare a procurement plan for each individual procurement requirement;
- The members of the Public Relations Department who committed the PE to contractual agreements without going through the due process should be held responsible;
- The Inspection and Acceptance Committee should inspect, verify and ascertain that goods, works, services have been delivered to the Procuring Entity in accordance with the terms and specifications of the Purchase Requisition;
- 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 put in use an interim purchase requisition form that conforms to the requirements of the PPDR, General Procurement Manual and directives from PPOA. The review observed that there is already a purchase requisition form in place but not being used; and
- 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 procurement internal control.

Response

The recommendation shall be implemented as appropriate.

3.13 Prequalification and registration of suppliers

Findings

- There was no evidence that the entity undertook evaluation of the suppliers to ascertain that the suppliers meet all the qualifications to be awarded contracts in accordance with Section 31 of the PPDA. During the discussions with the senior management, there were complaints that some of the service providers' performance have been below expectations especially those contracted to offer protective services;
- The PE did not undertake any prequalification of suppliers or providers of specialised and complex services for the period 2008-2009 and therefore the review team could not establish how the Public Relations Department selected the media houses the contracted to the tune of Ksh 150,539,011.80;
- There was no prequalification of complex and specialised services during the period under review. In subsequent period, the review team established that there are prequalification undertaken for specialised, complex and high value goods or services required by the entity for solicitation of restricted goods or services for the subsequent financial year as follows:
 - Tender 30/2009-2010 pre-qualification of stock brokers/investment banks;
 - Tender 31/2009-2010: prequalification of media houses;
 - Tender No IFPQ/30/2009-2010: Prequalification of travel agency services for the FY2009-010; and
 - Tender 37/2009-2010 for the Risk assessment consulting services.

Recommendations

- The PE should maintain and update annually standing lists of registered tenderers required by the PE;
- Undertake pre qualification in accordance with Section 32 of PPDA and Regulation 23 of suppliers for specialised and complex procurements;
- 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; and
- There is also need to strengthen supplier performance evaluation. 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 recommendations shall be implemented as appropriate.

3.14 Specifications

Findings

- The User Departments prepared the technical specifications and submitted the requests to the Procurement Unit;

- Incomplete or incorrect specifications were used for the procurement of a generator at the total cost of Ksh 33,234,912.00 and which is now lying idle because it requires complete electrical rewiring. The procurement risk analysis was not done for this procurement. The delivery documents requested for this generator were not made available by the entity. The review team needed these to determine that the specifications of the equipment conform with those in the contract.

Recommendations

The user department personnel who initiated the procurement of the generator that does not meet the requirements of the PE should be made accountable.

Response

The User has indicated that the Generators supplied meet the specifications which were developed in liaison with an Electrical Consultant. However, as indicated in the report complete electrical rewiring is awaited.

3.15 Choice of procurement method

Findings

The PE is using the following main procurement methods:

- Open Tendering Method;
- Direct Procurement Method;
- Request for Quotations Method;
- Request for Proposals Method; and
- Low Value Procurements.

Total Number and value of procurement methods

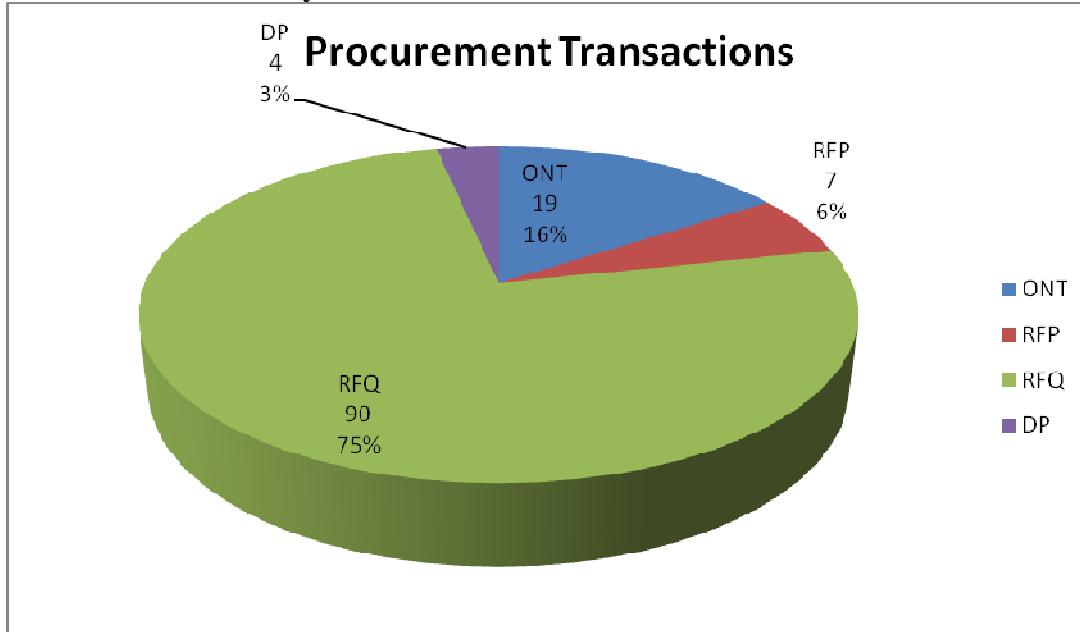
Procurement method	Number of Transactions	% transactions	Value of the proceedings	% value
RFP	7	6	18,804,020.00	4
DP	4	3	214,338,520.80	42
ONT	19	16	252,066,707.00	49
RFQ	90	75	24,828,856.00	5
TOTAL	120	100	510,038,103.80	100

3.15.1 Purchase through Open Quotations 2008-2009 Financial Year

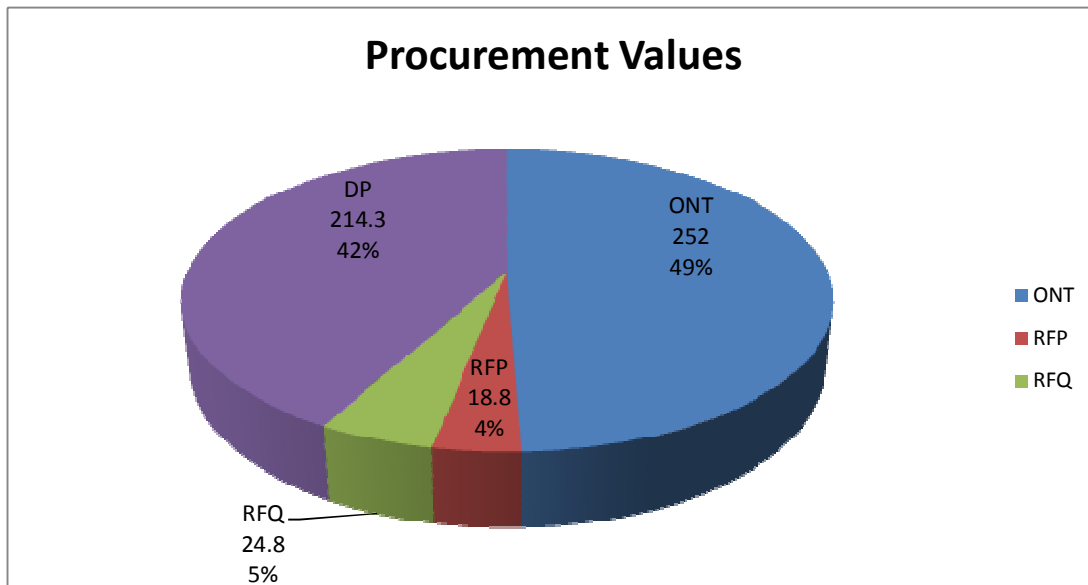
The following procurement proceedings were undertaken through open quotations. This is a system adopted by the PE and it involves a procurement staff calling the supplier to submit quotations for various items. This is not done in accordance with the conditions of Request for Quotations method as set out in the PPDA and PPDR.

No.	Date	Item	Amounts
1	17111108	H.P C9721 A Toner Cyan	52,704.60
2	8/80/08	Cartridge for HP C8543X Toner	160,544.00
3	8/80/08	Sahara Flash Disk 1 GB	33,640.00
4	3/9/08	Toner Cartridge C9720A (Black)	26,680.00
5	110/08	Journal Vouchers	3,990.00
6	8/7/08	Pental Pens	6,612.00
7	29110/08	Executive chair leather	69,600.00
8	11/7/08	Executive office table	58,000.00
9	11/7/08	H/Back chair in leather	30,160.00
10	11/7/08	Visitors chair in leather	38,976.00
11	23112/08	Orthopedic Secretarial Chair	30,000.00
12	14111/09	Conference facility for workshop	56,880.00
13	10/7/08	Conference facility for workshop	777,000.00
14	22/7/08	KX-FA Toner	20,880.00
15	13110/08	Repair of various machines	18,700.00
16	12/2/09	Repair of machine	7,192.00
17	2011/09	Repair of machine	8,932.00
18	31110/08	Stationery	12,876.00
19	26/9/08	Mobile phone	41,999.00
20	22/0508	Envelopes	2,700.00
21	5/6/08	Cartridge HP C6578D	14,790.00
22	22/5/08	Executive II/Back Chair	150,000.00
23	17/3/09	Stationery	14,700.00
24	31/7/08	Books	78,197.33
25	31/7/08	Books	21,555.17
26	31/7/08	Books	38,450.00
27	31/7/08	Books	22,050.00
28	17/6/09	Toners	106,488.00
29	6/4/09	Low Loader Lorry	243,600.00
30	27/5/09	Stationery	6,906.00
31	27/5/09	Stationery	13,400.00
32	27/5/09	Stationery	85,000.00
33	25110/08	Stationery	39,200.00
	25110/08	Supplementary LPO	6,272.00
35	20/2/09	Stationery	5,104.00
36	4/3/09	Stationery	17,748.00
37	3/3/09	Stationery	15,400.00
38	12/3/09	Toner	30,160.00
39	6/2/09	Toner	8,584.00
40	9/7/08	Toner	38,048.00
41	9/03/09	Stationery	71,688.00
42	14110/08	Polo T-Shirt	167,040.00
		Total	2,652,446.1

Procurement method by number of transactions



Procurement method by Value



- The following items should not have been procured through RFQ on account of being above the threshold limits:

No	Description	Method	Amount
30/08-09	Steel cabinets	RFQ	1,274,500.00
27/08-09	Calendars 2009	RFQ	2,247,800.00
15/2008-2009	Floor tiles	RFQ	1,270,432.00
1/8/2009	(UPS) 3KVA	RFQ	2,819,150.00

- Open tendering is the main procurement procedure as stipulated in the PPDA at 49% of the expenditure compared to the direct procurement at 42% on procurement for the period under review. The direct procurement has been used mainly for advertisement services with a very large budget and expenditure;
- The team observed that many common user goods and services currently being procured on RFQ takes a lot of the level of effort, currently standing at 75% of the transactions of the procurement proceedings;
- The PE does not consider aggregation techniques where specifications and needs are identical and economies of scale can be made as set out in the Regulation 8(3)(x),10(2)(f) and General Manual Chapter 6.3;
- The PE does not use the framework contracting method which has been approved by PPOA for common user goods;
- In the absence of procurement files and /or registers the following weakness were observed:
 - ✓ Procurement data capturing is weak and all procurement expenditure is not consolidated;
 - ✓ The Procurement Requisitions Registers have incomplete information;
 - ✓ The Tender Registers have incomplete information;
 - ✓ Contracts or LPO registers made available do provide comprehensive information; and
 - ✓ There was no linkage with the budget to ascertain that the maximum level of expenditure was determined by the funds allocated in the budget for the particular procurement (First Schedule of the PPDR

Recommendation

- The PE should adopt the use of framework contracting for the common user items in order to reduce the repeated use of RFQ;
- The staff who used RFQ above the threshold value should in future adhere to the threshold matrix;
- The PE should consider allotment techniques where large and complex procurement requirements may be segregated into smaller lots that are either bundles of similar supplies or lots permitting more competition; and
- The procurement of the following goods and services currently being handled by users departments should be brought within the mainstream procurement functions and be undertaken in accordance with the PPDA and PPDR.

Description	Budget
Repairs, Overhauls and servicing	16,176,500.00
Petrol	21,992,000.00
Tyres, Tubes and Batteries	4,485,500.00
Advertisement	150,539,011.80

Response

The recommendation shall be implemented as appropriate.

3.16 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). For the period under review all the Fund contracts were awarded to local contractors, hence preferences/reservations were not applicable.

3.17 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 used in all procurement processes reviewed. The PE has not adopted some of standard bidding documents as specified in the Third Schedule of the Regulations namely:

- Procurement requisition form;
- Tender register;
- Application for adjudication of tenders/quotation;
- Board of survey form;
- Standard tender document for disposal;
- Standard tender documents for management of contracts;
- Application for adjudication of tenders/quotation;
- Disposal certificate;
- Order amendment form; and
- Standard tender documents for preference and reservations.

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 PE 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 recommendations shall be implemented as appropriate.

3.18 Advertisement of tender opportunities

Finding

- The PE has not taken all reasonable steps to bring the invitation to open tender to the attention of those who may wish to submit tenders, in accordance with Section 54 of PPDA for several procurement activities undertaken. This is confirmed by the fact that DP takes up to 42% and Public Relations Department engages media houses and advertisement agencies without going through procurement processes as set out in the Act; and
- For the ONT tenders reviewed, advertisements indicate the closing date and time, with an invitation to bidders to attend the bid opening.

Recommendations

The PE must maintain a complete record of each of the procurement proceedings. Information to be included in the record shall, to the extent applicable, include: a description of the object of the procurement; the announcement or copy (or description) of the advertisement and the media employed, a list of the participating bidders and their qualifications; bid prices; a summary of the evaluation of bids; summary of any review proceedings and the decisions taken therein; requests for clarifications, and responses thereto; statement of grounds for cancellation of procurement proceedings; statement of grounds for choice of a procurement method other than tendering or request for proposals for services; any information concerning rejection of bids

Response

The recommendations shall be implemented. The Fund has advertised for provision of consultancy services for Marketing, Public Relations and Communications. through open tender. This is expected to eliminate irregular selection of media houses since only those contracted will be engaged.

3.19 Modification to tender documents

Finding

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

3.20 Submission and Receipt of Bids

Finding

- 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
- Tender opening procedures are carried out in accordance with Section 60 of PPDA and Regulation 45.

3.21 Formation of Contracts

Findings

- Several security protective contracts are not awarded to the lowest evaluated tenders;
- The contracts for the protective services do not include the output expected from the person awarded the contract.
- LPOs are used for procurement proceedings above the threshold contrary to the requirements of the General Manual Chapter 7(r) which states that for all procurement with the value of Ksh. 500,000 and above a written contract must be prepared to be signed by the procuring entity:
 - ✓ Procurement of Qty 2 Volkswagen Passat 1.8 TSI for Ksh 4,010,000.00;
 - ✓ Supply for qty 2000ea diaries in LPO 33504 of total value Ksh 1,138,800.00;
 - ✓ LPO 33327 for printing of wall calendars of total value Ksh 515,000.00;
 - ✓ LSO 18114 for the baseline survey for Ksh 1,780,600.00;
 - ✓ LSO 17432 for the catering services for Ksh 6,431,153.40;
- Negotiations were done with the SBO Research the best evaluated bidder for the Tender 22/2008-2009. They gave 10% discount against the quoted price. The following weaknesses were identified in the negotiation procedures:
 - ✓ The PU did not set out the what warranted this negotiation
 - ✓ There should be a negotiation team of at least two people {Regulation 58(2)} recommended by PU for appointment by the Accounting Officer where negotiations are allowed by the Act and Regulations and participate in negotiations {Regulation 8(3)(j)};
 - ✓ TC did not approve negotiations as required under the Act and Regulation 10(2)(l);
 - ✓ The negotiation team did not prepare a report of the negotiations which should be submitted to the Tender Committee for decision making Regulation 58(3).
- Security bonds were not made available to the review team; and
- Performance bonds were found to have been requested but not made available to the review team.

The PE should ensure that the weaknesses identified are adequately addressed.

Response

The recommendations shall be implemented as appropriate.

3.22 Termination of Proceedings

Findings

There was no documented evidence that the termination of the following procurement proceedings was in accordance with Section 36 of the PPDA as records requested were not available.

TENDER NO	DESCRIPTION	METHOD
1/8/2009	Fully integrated core system.	ONT
2/8/2009	Automated fingerprint Identification system	ONT
7/8/2009	Recruitment of Managing Trustee	ONT
7/8/2009	Recruitment of Managing Trustee	RFP
15 /08-09	Fitting of Vertical Blinds in NSSF Offices	ONT
16 /08-09	Consulting Services Forensic Audit	ONT
19 /08-09	External Repairs and Paint Work	ONT
57/08-09	Laminating machine heavy duty	RFQ
65/08-09	Bulk mobile filing units	RFQ

Recommendation

The PE should improve their record management and filing systems to the following:

- Any documentation relating to cancellation of a procurement process or termination of a contract (Chapter 2.6(a)(xx)); and
- Report the terminated procurement proceedings to PPOA.

Response

The recommendations shall be implemented as appropriate.

3.23 Notification to PPOA

Finding

The following direct procurements were not reported to PPOA as set out in Regulation 62 (3) which provides that a procuring entity shall, within 14 days after notification of the award of the contract, report any direct procurement of a value exceeding Ksh.500, 000 to the Public Procurement Oversight Authority (PPOA):

ITEM NO	MAKE OF VEHICLE	QTY	TOTAL COST (KSH)	SUPPLIER
1	Mitsubishi L 200 KBTT Pickup Double Cab 4X4 3200 CC Diesel	4	11,438,400.00	Simba Colt Motors
2	Toyota Corolla ZRE 152 Saloon 1900 CC Petrol	4	9,424,000.00	Toyota E.A Ltd
3	Toyota Station Wagon Model KZJ 120R	1	4,768,609.00	Toyota E.A Ltd
4	Qty 2 Volkswagen Passat 1.8 TSI	2	4,010,000.00	CMC

The following contracts over Ksh 5 million were not reported to the PPOA as required by directives from PPOA, although the PE maintains that it notified PPOA appropriately. A copy of a memo to PPOA was shown to the review team but PPOA do not acknowledge having received them.

Tender No	Description	Method	Supplier	Amount (Ksh)
17 /08-09	Provision of Insurance Brokerage Services	ONT	various suppliers	100,433,459.00
4/8/2009	generator installation	ONT	Electrowatts Ltd	33,234,912.00
5/8/2009	Lifts Installation	ONT	Mitts Electrical Co. Ltd	18,995,000.00
13 /08-09	Painting to View Park Towers	ONT	Laton Engineering Ltd	15,999,800.00
6/8/2009	Wall Painting	ONT	Laton Engineering Ltd	15,126,200.00
20 /08-09	Provision of Security	ONT	Protective Custody Ltd	11,692,800.00
11/8/2009	Refurbishment of Hazina Estate	ONT	Kitho Civil & Engineering Co.	10,722,225.00
3/8/2009	Selection of job Evaluation Consultants	ONT	Price Waterhouse Coopers	9,163,734.00
12/8/2009	Repairs for Hazina Towers	ONT	Laton Engineering Ltd	909,750.00
9/8/2009	Staff Tea Services	ONT	Prime Catering Services	6,431,153.00
20 /08-09	Security / Guarding Services	ONT	Race Guards Ltd	6,264,000.00
20 /08-09	Security / Guarding Services	ONT	Gillys Security Ltd	5,151,400.00

The PPOA was not notified of the following terminated procedures:

TENDER NO	DESCRIPTION	METHOD
1/8/2009	Fully integrated core system.	ONT
2/8/2009	Automated fingerprint Identification system	ONT
7/8/2009	Recruitment of Managing Trustee	RFP
15 /08-09	Fitting of Vertical Blinds in NSSF Offices	ONT
16 /08-09	Consulting Services Forensic Audit	ONT
19 /08-09	External Repairs and Paint Work	ONT

Recommendations

The PE should notify PPOA of all the procurement and disposals as 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 recommendations shall be implemented as appropriate.

3.24 Enquiries and Complaints Mechanism

Findings

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

Recommendation

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

Response

The recommendations shall be implemented as appropriate.

3.25 Follow up of ARB decisions and recommendations.

Findings

There was no procurement taken to the review board for the period under review according to the Head of Procurement Unit. However, from the ARB register the PE had one case, Appeal No.13/2008 of 1st April, 2009 by M/S Prime Catering Services Ltd on Tender NO. 09/2008-2009 for Provision of Staff Tea Services. However, the case was withdrawn and hence the PE was not evaluated on this indicator.

3.26 Value for Money

Finding

The PE does not compare their prices for common user items with the PPOA index.

Recommendations

The PE should seek to enhance value for money by comparing their prices with the PPOA index.

Response

Comparison has always been done with the previous price as well as the market price where available. However, the recommendation shall be adhered to.

3.27 Contract Management

Findings

The team observed the following weakness in the contract management:

- There is no comprehensive contract register maintained by PU;
- There are no contract file maintained by the PE;
- The contracts are signed by the Chairman of the Board contrary to Regulation 7;
- Contracts bear the statement *signed in the presence*of instead *signed by*.....This could bring legal implications in case of disputes;
- Contracts are not labelled with unique index numbers;
- The contract for provision of window cleaning and exterior wall painting for Hazina Towers for Ksh 15,126,200.00 was not dated;
- The PE does not open and maintain contract file for all contracts in accordance with General Manual Chapter 9.3;
- The PE does not appoint the designated contract administrator in accordance with General Manual Chapter 9.4;
- The PE does not prepare procurement management plans in accordance with General Manual Chapter 9.5;
- 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; and
- Final payment records made are not recorded in the file.

Recommendations

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

Response

The Board Chairman appends his signature against the Seal in Fund contracts in accordance with the provisions of the National Social Security Fund Act CAP 258 Laws of Kenya .

Further, the execution clause for Fund Contracts bear the words..... sealed with the Common Seal of the NSSF Board of Trustees in the presence of..... the Managing Trustee and Chairman, the authorised signatories of the Fund. These contracts are legally binding on the Fund and can be adduced as evidence in a Court of Law.

The other recommendations shall be implemented as appropriate.

4 SPECIFIC FINDINGS

4.1 Variation of PWC Contracts with approval

4.1.1 Job Evaluation contract

Procurement: Recruitment of consulting firm to undertake job evaluation for NSSF which would entail:

- Review of the current work structures and determine their adequacy for operations;
- Design a result oriented organization/function structure;
- Determine the ideal staff requirements for the Fund;
- Evaluate all jobs within the Fund and build capacity in job evaluation: and
- Undertake a salary survey and provide recommendations on new salary levels;
- Procurement Method: ONT/RFP
- Awarded: Price Waterhouse Coopers
- Amount of award: Ksh 10,817,000.00.

The following major weaknesses and faults were identified in the contracts with PWC

- There is no contract file for the management and administration of this contract;
- Contract Agreement was not made available to the review team. The commitment between the two parties is carried out by letter of engagement originated by PWC.
- Standard contract agreement documents for consultancy services recommended by PPOA were not used;
- Performance Bond: Not made available to the review team;
- The review team was not provided with the timelines agreed to for starting and finishing the work and completing key tasks or deliverables (these are the milestones, due dates, and the tangible form the work will take)
- The PE undertook variations that made substantive additional changes to scope of work, terms and conditions, pricing, or the contract term to cover the engagement for engagement of PWC to short list for the Finance, Human Resources Manager and Administration Manager at cost of Ksh 1,644,300.00 without the user department forwarding details of the required variations to contracts to the procurement unit for consideration and action in accordance with regulation 9(iv); and an additional scope of work to conduct a skills assessment for the NSSF at the cost of Ksh 20,820,000.00. These variations of works resulted from additional work requested by NSSF in the course of the PWC's work. These variations are not incorporated in the initial TOR.
- There is no evidence that there was any signed justification for the contract variations and written approval by the Tender Committee before implementing the agreement.

4.1.2 Forensic Investigations Contract

The PE did not make available to the review the tender documents for the processing and award of the forensic audit contract. Our investigation revealed that PWC requested for the

extension of the audit which focused on the NSSF'S dealings with stockbrokers in purchasing and selling shares and bonds in the period 2009-October 2010 at extra fees of Ksh 2,200,000.00. From our discussion with the Acting Managing Trustee, this request represents a new scope of work which was not in the initial TOR.

Recommendation

- Incorporate in the procedures for processing variations in the initial contracts;
- Use the contract documents recommended by PPOA for the consultancy services; Provide justification for variation in writing and submit all variations to the TC for approval in accordance with the PPDA before they are implemented; and
- The Procuring Entity should ensure that all services rendered by TWC are subject to inspection and verification by Inspection and Acceptance Committee, prior to their acceptance.

Response

The variations mentioned above have since been corrected. The skills mapping contract has been re-tendered and firms invited to submit their proposals. The final selection of the Consultant will be conducted competitively and in accordance with the PPDA.

4.2 Procurements not processed by the Procurement Unit.

4.2.1 Procurement of Advertising services by Public Relations Department:

- Budget 2008/2009 Kshs 53,200,000;
- Total Amount spent 2008/2009 Kshs 150,539,011.80;
- Bills worth Kshs 99,766,139.00; are still not settled and disputed by NSSF.

4.2.2 Procurement of Petrol, Repairs, Overhauls and Servicing of Motor Vehicles.

- Budget 2008/2009 Kshs 38,168,500;
- Total expenditure on this budget not made available.

Recommendations

The Accounting Officer should ensure that all procurements are processed by the Procurement Unit.

Response

The above fraudulent procurements were conducted by the then Head of Public Relations without the requisite approvals by the tender committee. NSSF management has already dismissed the officer from employment and the case is pending in court awaiting final determination. NSSF does not cordon corrupt and errant officers within its ranks. A corruption prevention committee is in place and an ethics and integrity department has been created to coordinate efforts towards preventing occurrence of such malpractices.

4.3 Procurement of protective services

The following bidders for tender No. 28/2006-2007 were awarded the contracts while they were not the bidders with the lowest evaluated prices:

- The contract for Nyayo Estate was awarded to the 3rd lowest bidder M/s Protective Custody Ltd;
- The contract for provision of security services to Nyayo Estate Embakasi was awarded to M/s Brinks Security Services who had been ranked 5th at the cost of KShs.9,821,952.00 against the lowest bidder M/s Gilly's Security and Investigation Services Ltd who were ranked No.1 at the cost of KShs.7,885,070.00;
- The contract for security services for Social Security House - Mombasa was given to the 4th ranked firm M/s total Security Surveillance and this led to a loss of KShs.1,506,800.00 by not giving the contract to the 1st ranked firm M/s Race Guards Ltd. this contravened;
- The contract for provision of security services to Hazina Plaza - Mombasa, was awarded to the 3rd ranked bidder; and
- The Tender Committee awarded the security service provision contract for SSH - Nairobi to the 2nd ranked (in price) firm M/s Factory Guards Ltd;

The reason given for consideration was that the fund wanted to spread the risk. Apparently this policy is not documented and was not indicated in the evaluation criteria of the tender documents.

Recommendations

- The PE should award all security services contracts to the lowest evaluated bidder in accordance with the PPDA;
- The policies adopted by the procuring entity must comply with the PPDA;
- The PE should prequalify all the security services providers before using restricted tendering; and
- As provided in the general manual chapter 6.3., the PE divides procurement requirements into lots to segregate into smaller packages or packages that require specific set of qualifications.

Response

Award of the Security Contracts to various firms was based on the Fund Policy to spread risks and ensure equitable distribution among different Kenyan Security Firms. However, based on previous audits and the review reports, all the identified weaknesses have been addressed. Currently, all security contract awards are based on a formula defined in the tender document.

4.4 Security Services Offered without Valid Security Contracts

Security services for residential properties of the PE between 15th July, 2009 and 31st December, 2009 were being offered to the PE without any valid contracts since the previous ones had expired on 30th June, 2009. This was due to the suspension

of award of contracts to Tender Number 21/2008-2009. There was no evidence that the Tender Committee approved the extension of the contracts.

Recommendation

The PE should at all times have in place binding contracts with parties it has contracted to provide services in order to ensure its assets are safe. The contracts should be ready immediately after the award of the tenders.

4.5 Security Firms contracted without tendering

Provision of security services contracts, for commercial properties revealed that Hazina Towers, Nairobi and View Park Towers were not included in the list of the commercial properties for which bids were necessary for provision of security services. This implies that the security service providers for the two were handpicked as follows:

- M/S Lavington Security Ltd was contracted to guard view Park Towers; and
- M/S Gilly's security Ltd which was also contracted to guard Hazina Towers

Recommendation

The PE should ensure that all direct procurements are undertaken in accordance with PPDA.

Response

This item was not a direct procurement. The contract for Security Services for Hazina Towers and View Park Towers was advertised in the Daily Nation and Standard Newspapers of 23rd May, 2008, under tender No. 24/2007-2008. It closed on 18th June, 2008. After due process, the contracts were awarded to M/S Lavington Security Ltd and M/S Gillys Security Ltd.

5 COMPLIANCE RATING								
Item	Performance Indicator	Indicates aspect of the procurement	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		2			3	2
2	Functions of Procurement Unit (3)	The key procurement officials have professional qualifications in procurement and supply management from a recognised institution.			1		9	3
		The Head of Procurement Unit and key staff with procurement responsibilities have received training in PPDA, PPDR, and General Manual.	3				9	9
		The key procurement officials are members of a recognised institute of purchasing and supply.	3			0	9	9
		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		2			9	6

		in Regulations 14 of the PPDR and Chapter 4.4 of the General Manual are satisfactorily complied with.						
		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.	3				9	9
		The functions of the Disposal Committee as set out in the PPDA, PPDR and Chapter 12 of the General Manual are satisfactorily complied with.		2			9	6
6	Functions of Evaluation Committees (3)	Evaluation committees have been appointed as and when required within the threshold of the Tender Committee		2			9	6
		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			1		9	3
		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		1		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	The Inspection and Acceptance Committee has been established and undertakes its functions in accordance				0	9	0

	Acceptance Committee (3)	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.						
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				0	9	0
		Manuals including the General Manual and guidelines are available to all persons involved in procurement related functions				0	9	0
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				0	9	0

		communications relating to that procurement proceeding with such files being marked with the relevant procurement reference number.						
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		2			9	6
		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)		2		0	9	6
		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		2			9	6
12	Purchase requisition (2)	Each procurement proceeding is initiated using an official procurement requisition form containing all necessary information pertaining to the procurement in accordance with Regulation 22				0	6	0
		The requisitions are generated from the consolidated procurement plan				0	6	0
13	Prequalification and registration of suppliers (3)	There is a standing list of registered suppliers prepared in accordance with Regulation 8 (3) (a)	3		1	0	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	0	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				1	9	3
		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).				0	9	0
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		2			9	6
		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	3				9	9
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				N/A	9	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		2			9	6
18	Advertisement of tender opportunities (3)	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 tenders, in accordance with Section 54		2			9	6
		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)					N.A.	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		2			6	4
		Written contract is entered into in accordance with Sections 68-70		2			6	4
		Bond security released and recorded in procurement file			1		6	2
		Performance bond raised and recorded in procurement file			1		6	2
		Any advance payment is adequately secured by the performance bond or bankers guarantee and recorded in procurement file				0	6	0
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		2			6	4
23	Notification to PPOA (1)	Notification is provided to PPOA of Contracts over Ksh 5 million				0	3	0
		Direct procurement over Ksh 500,000				0	3	0
		Termination of procurement proceedings				0	3	0
		Disposals to employees					NA	N/A
24	Enquiries and Complaints mechanism (1)	There are systems and procedures for handling bidders' enquiries and complaints				0	3	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			1		9	3
							471	237

Compliance level $237/471 * 100 = 50.3\%$

6 ACTION PLAN

TASK	BY	TIMELINE
The PE should upgrade 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 recommendations of in the associated Report on the Management of Records of the National Social Security Fund, prepared by ARD. Where possible the record keeping system should be computerised.	AO/PU	Immediately
<p>Prioritise their training to include the following:</p> <ul style="list-style-type: none"> • Sensitization of new personnel of the PE including senior management involved in the initiation and approval of procurement processes in requirements of the procurement law and regulations; and • Advanced training to improve skills of senior procurement practitioners in specialized aspects of procurement for those involved in procurement management. • Specialized training on specific aspects including Works and Framework Contracting 	AO/PU	Three months from the date of publication of the report
Nullify all the security contracts that were awarded in contravention of Section 66(4) of the Act and were not the lowest evaluated responsive bidders	AO	Three months from the date of publication of the report
PE should improve on the deficient areas identified in PU functions	PU	Immediately
PE to address all the identified weaknesses in TC operating procedures	PU/PC	Immediately
PE to address all the identified weaknesses in PC operating procedures	PU/PC	Immediately
PE to address all the identified weaknesses in evaluation committee appointments and operating procedures. Evaluate all tenders within the time limits set out in the Regulations	PU/PC	Immediately
PU to prepare and update consolidated procurement plan regularly	PU	Immediately
Prepare individual procurement plans as provided in the General Manual Chapter 6	PU	Three months from the date of publication of the report
PE to ensure that the requisitions are generated from the consolidated procurement plan and linked to the budgetary framework	PU	Immediately
Prepare a disposal plan	PU	Three months from the date of publication of the report
PU in conjunction with the user department should conduct	PU	Three months from

TASK	BY	TIMELINE
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;		the date of publication of the report
Undertake 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	Immediately
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	PU	Three months from the date of publication of the report
Develop systems and procedures that will produce measurable value for money in the procurement systems		Three months from the date of publication of the report
Compare prices of common user items with the PPOA price index where appropriate	PU	Immediately
Initiate consultation with PPOA on the current procurement operational procedures manual to ensure that it conforms to the requirements of the PPDA and PPDR.	PU	Three months from the date of publication of the report
The PE should put in place appropriate systems and procedures that ensure regulatory procurement information including manuals, guidelines and directives from PPOA are distributed to the appropriate people.	PU	Three months from the date of publication of the report
Establish Inspection and Acceptance Committee to inspect and where required; to test goods received, or to inspect and review services, works and consulting and design in order to certify compliance with the terms and specifications of the contract and accept or reject on behalf of the Procuring Entity the delivered goods, works, services or consultancy services.	AO	Immediately
Develop interim certificates that conform to the requirements of the PPDA and PPDR, to be certified by the Inspection and Acceptance Committee members after inspection of the complex goods, works and services.	PU	Immediately
Introduce the use of the recommended standard procurement forms as provided in the Third Schedule of the PPDR.	PU	Immediately
The procurement publications from PPOA should be placed in a central location that is accessible to all persons who want to refer to them.	AO/PU	Three months from the date of publication of the report
The secretary should develop standard template for TC submissions and reporting with comprehensive pertinent information including budget lines to guide the members in making informed decisions conforming to the Act and	PU	Three months from the date of publication of the report

TASK	BY	TIMELINE
regulations.		
Open comprehensive procurement and contract files and control registers.	PU	Immediately
Introduce documented systems and procedures for handling bid complaints and keep a complaints/protest log for providing necessary information internally as well as to all interested stakeholders		Three months from the date of publication of the report
The PC should start submitting quarterly reports to the Tender Committee as required by the PPDR.	PU	Immediately
Introduce the use of preference and reservations schemes as provided in the PPDA	A0/PU	Three months from the date of publication of the report
Submit all notification reports for procurement and disposal proceedings to PPOA as required by the PPDA, PPDR, and directives from PPOA.	AO	Immediately
The PE should commence 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	Immediately

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 review team identified the following challenges faced by NSSF in respect of the implementation of the procurement law and regulations:

- Inability to translate procurement law and regulations into everyday language, so that management sees and understands the impact to their compliance;
- Inadequate records management and filing systems. 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;
- Lack of operating ICT systems and applications covering all aspects of procurement;
- Insufficient training in procurement law for the persons involved in the procurement related functions;
- Inadequate contract management and
- Insufficient communication and coordination between the user departments and Procurement Unit on procurement planning and implementation.

We have included an action plan 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.

We are pleased that the National Social Security Fund management welcomed the review exercise as a mechanism to identify and address any shortcomings and weaknesses in the compliance with Act and associated regulations.

Overall, NSSF have demonstrated unsatisfactory level of compliance at 50.3% (against the expected of 60%) with relevant PPDA, and the regulations and guidelines in respect of the sampled procurement transactions.

Although the NSSF has taken a number of reasonable steps to comply with the provisions of the procurement law, there remain a number of issues that need to be addressed. The issues raised are important and warrant immediate attention by the procuring entity.

8 APPENDIX

8.1 Procurement Unit staff and their Qualification

	Name	Designation	Qualifications
1	Mrs. A. W. Mbogo	Deputy Manager (PS)	B Com (Hons), CIPS Graduate Diploma in Purchasing & Supply *Member KISM, CIPS
2	Mr. G. Mwandembo	Asst. Manager (PS)	B A (Hons), CIPS Graduate Diploma in Purchasing & Supply *Member CIPS
3	Mr. P.A. M Muniyoki	Supplies Officer I	B Com (Hons), CIPS Graduate Diploma in Purchasing & Supply *Member KISM,
4	Mr. A. Baliach	Supplies Officer I	B A (Hons), CIPS Graduate Diploma in Purchasing & Supply *Member KISM, CIPS
5	Mr. J. Kanika	Supplies Officer II	B Com (Hons), Final Diploma in Supplies Management
6	Ms. R. A. Oluoch	Supplies Officer II	B Com (Hons), CIPS Graduate Diploma in Purchasing & Supply *Member KISM, CIPS
7	Mr. N. Okonda	Supplies Officer III	EACE, Final Dip in Supplies Management *Member KISM
8	Mr. Lucas Midega	Supplies Officer III	EACE, Final Dip in Supplies Management
9	Mrs. Jane Nguriathi	Supplies Officer III	B PSM, Dip in Purchasing & Supply Management *Member KISM,CIPS
10	Mrs. A. Kieti	Senior Supplies Assistant	EACE, Dip in Supplies Management
11	Mr. J. Murage	Supplies Assistant	EACE, Dip in Supplies Management
12	Mr. E. Baragu	Supplies Assistant	KACE, Diploma in Supplies Management
13	Mr. P. Kibati	Supplies Assistant	KACE, CIPS Graduate Dip in Purchasing & Supply *Member CIPS
14	Mr. L. Masea	Store Man	KACE, Advanced cert. in Supplies Management
15	Mrs Rose Nyamai	Store man	KCE, Advanced cert. in Supplies Management
16	Agnes Njogu	Store Man	KCE , Certificate in Supplies management *Member, CIPS

8.2 Procurements carried out by Public Relations Department outside the PPDA

Order no	Media co	Amount Kshs
188	Oakland media services	139,000.00
362449	Nation media group	92,568.00
230119	The STD Ltd	71,920.00
-	Directory communications	452,400.00
401	Aquortus	185,600.00
10617	Capital fm	2,320,000.00
31	Flagship ventures Ltd	522,000.00
437	uason media	522,000.00
441	Liaison media	382,800.00
427	Liaison media	626,400.00
440	Liaison media	348,000.00
340	Liaison media	522,000.00
341	Liaison media	522,000.00
342	Liaison media	382,800.00
343	Liaison media	522,000.00
344	Liaison media	522,000.00
29055	Global village publishers	116,000.00
60919	PSV news	174,000.00
-	Fine touch communications	301,600.00
1028	Communications insight	348,000.00
1027	Communications insight	522,000.00
1023	Communications insight -	626,000.00
1022	Communications insight -	522,000.00
244465	The std Ltd	425,952.00
40360	Mediawise communications	174,000.00
-	Magic publicity services	160,000.00
327	Regional reach Ltd	500,000.00
602	Pen media	157,960.00
101	Gongs invest ventures	150,800.00
65	Radio Jambo 97.5 FM	870,000.00
2187	Kass FM	116,000.00
313	Kass magazine	162,000.00
6712	Royal media services	928,000.00
6711	Royal media services	928,000.00
6811	Mulembe Fm	348,000.00
3045	Royal media services	232,000.00

3459	Kata kiu FM	1,770,000.00
1055	Communications insight	522,000.00
1051	Communications insight	382,800.00
60	Procurement solutions journal	522,000.00
	Procurement solutions journal	522,000.00
	procurement solutions journal	382,800.00
	Asante media LTD	208,800.00
2	Asante media LTD	696,000.00
3	Asante media LTD	174,000.00
4	Asante media LTD	208,800.00
	Asante media LTD	208,800.00
3007	Royal media services	538,240.00
3347	Stellan Consult LTD	336,400.00
	Tvnka communications	360,000.00
		24,036,440.00



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