



PUBLIC PROCUREMENT OVERSIGHT AUTHORITY
Transforming Procurement

KENYA WILDLIFE SERVICES

PROCUREMENT REVIEW REPORT

OCTOBER, 2015

REVIEW REPORT IN SUMMARY

This report details the findings and recommendations of the procurement review of the Kenya Wildlife Services (KWS), carried out by the Public Procurement Oversight Authority (PPOA) team from 25th August to 11th September, 2015. The main objective of the exercise was to review the status of the KWS's procurement, contracting and implementation processes and systems, in order to determine the level of compliance with the Public Procurement and Disposal Act, 2005 (the Act) and its attendant Regulations, circulars and directives issued by the Authority and generally accepted principles of good practice. Consideration was also given to the relationship between procurement and overall service objectives of KWS.

The review considered performance of procurement functions for the period 1st July, 2013 to 30th June, 2014. The scope of the review covered KWS's procurement and disposal cycle from planning to completion, using twenty seven (27) key performance indicators. The review also considered the disposal proceedings undertaken by KWS during the period. The procedures performed during the review included discussions with the key persons involved in the functions related to procurement, examination of the files and documents pertaining to KWS's procurement systems and processes, examination of open tender method and alternative procurement procedures such as restricted tender, direct procurement and selected samples of request for quotations. The team did not review the implementation of the findings and recommendations of internal audit report carried out during the period under review since the report was not available.

The team used a sample of 34% of procurement and disposal proceedings to evaluate the level of compliance with the Act, associated regulations and directives issued by the Public Procurement Oversight Authority (PPOA). In so doing, careful considerations were given to 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 determination of the final compliance level.

The overall assessment of the compliance level for KWS is calculated to be 52.1% with reference to the Act, the attendant Regulations and guidelines in respect of the sampled procurement transactions for the period under review. This is below the minimum acceptable compliance rating of 60% as set out in the Performance Monitoring Plan for Public Procurement System.

The report is divided into seven chapters. Chapter one is the introduction to the report. Chapter two considers the organisation of the KWS. The key general findings and recommendations as they relate to each of the areas considered in this review are provided in Chapter 3. The specific findings on the actual procurement proceedings examined are provided in Chapter 4. The compliance rating and scoring results are highlighted in Chapter 5 while an action plan for implementation of the recommendations is provided in Chapter 6 of the report. The PPOA will review the implementation of the recommendations in the action plan.

A summary of the areas that KWS formed satisfactorily in accordance with the Act and its attendant Regulations included:

- (i) KWS had established the institutions required by the Act (Procurement Unit, Tender Committee, Procurement Committee and Disposal Committee)
- (ii) Tender Processing Committee was appointed by the Accounting Officer in accordance with the Act and the attendant Regulations
- (iii) Procurements were initiated through requisitions which were derived from the procurement plan
- (iv) KWS used standard tender documents for the sampled procurements
- (v) The tender committee meetings had quorum.
- (vi) Stores and storage facilities were well maintained with sufficient security.
- (vii) KWS and successful bidders entered into written contracts for major procurements
- (viii) The head of procurement unit is a procurement professional and he is a member of KISM.
- (ix) Award and approvals were done by the tender and procurement committees.

The following were key weaknesses that were noted during the review:

- (i) Delay in concluding procurement within the stipulated time
- (ii) Heavy reliance on alternative procurement methods (restricted, direct, quotation and low value procurement methods)
- (iii) Delayed payments to suppliers/contractors
- (iv) Weak record keeping
- (v) Storage space for some items was enough and items were not properly arranged.
- (vi) Use of evaluation criteria not indicated in the tender document.
- (vii) Some of evaluator did not sign the evaluation report.
- (viii) Needs were externally influenced e.g. tender for supply of terminal and their base were introduced by the vendor.
- (ix) Stores staff were not reporting to head of procurement.
- (x) A number of staff handling procurement matters were not procurement professionals.
- (xi) The entity did not have separate box for quotation.
- (xii) Some procurements were done outside the procurement plan.
- (xiii) There was no disposal plan.
- (xiv) The procuring entity did not have sample register while they had procured items through samples.
- (xv) The procurement unit did not endorse invoices and payment vouchers.
- (xvi) There were quarterly reports done by procurement committees for the tender committee to review.
- (xvii) PE did not submit the mandatory report to PPOA.

- (xviii) Quotations above Kshs. 500,000 and direct procurement did not have written contract agreements.
- (xix) Contract variations were done outside tender validity period contrary to Regulation 31 of PPDR.
- (xx) Successful and unsuccessful bidders in some tenders were not notified in the same date.
- (xxi) Procurement file were incomplete.
- (xxii) Stores records were not regularly updated.
- (xxiii) Threshold matrix was not adhered to especially in low value procurements
- (xxiv) Stocktaking report was not comprehensive not recommendation for treatment of loss.
- (xxv) The use of restricted tendering without meeting the requirements (bidders not in suppliers list, less number as required and not approved by tender committee)

It is recommended that every employee of KWS or member of the Board should ensure compliance with the Act and its attendant legislations as well as the directives issued by PPOA on procurements in their respective areas of responsibilities pursuant to Section 27(2) and (3) of the Act.

Conclusion

The major challenges we found in the KWS were mainly in record keeping as the procurement files were incomplete. Though the documents were availed it took some time to assemble them.

We have included an action plan, which was discussed and agreed with KWS 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.

Overall, KWS has demonstrated satisfactory level of compliance at 61.3% with the Act, and the Regulations and guidelines in respect of the sampled procurement transactions. Nevertheless, KWS should endeavour to improve their performance rating by organising training on various aspects of procurement law and regulations in the areas pointed out in the report.

