

# **PUBLIC PROCUREMENT REGULATORY AUTHORITY**

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## **COUNTY GOVERNMENT OF MANDERA**

### **PROCUREMENT REVIEW REPORT**

**JUNE, 2016**

## **REVIEW REPORT IN SUMMARY**

This report presents the results of the procurement review of County Government of Mandera which was carried out as from 1<sup>st</sup> – 12<sup>th</sup> February, 2016. 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 County Government level of compliance with the PPDA and the PPDR, circulars and directives issued by PPOA, and generally accepted principles of good practice.

The period covered by this review was period 1<sup>st</sup> July 2013 to 30<sup>th</sup> June 2014 and 1<sup>st</sup> July 2014 to 30<sup>th</sup> June, 2015, focusing on the performance of the procurement functions. The review procedures performed included the examination of selected samples of Open Tenders, Direct Procurement, RFP, RFQ and Framework Contracting. The review also considered the disposal proceedings undertaken during the review period.

The scope of the review encompassed the key performance indicators of County Government procurement and disposal from planning to completion. The PE achieved a satisfactory compliance rating of 63.20% (above 60% which is the minimum required level of compliance) with the requirements of the PPDA, PPDR and all directives issued by PPOA in their procurement, disposal and contracting.

The 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. Specific findings are reflected in Chapter 4 of the report. An action plan for implementation of the recommendations is provided in Chapter 6 at the end of this report. PPRA will review the implementation of the recommendations in the action plan after a three-month period from the date of the final report.

### **Satisfactory Compliant Practices**

The review team noted the following satisfactorily compliant practices from the samples that were examined and from the general assessment of the procurement systems of Mandera County Government:

- i) County Government Procurement Unit has been established in line with Section 26(4) of the PPDA;
- ii) The PU is staffed with qualified key personnel in line with Section 26(7), (8) and (9). These key procurement staff hold Diplomas and Certificates in Procurement from recognized institutions and are members of Kenya Institute of Supplies Management (KISM);
- iii) The County Government has established a tender committee in line with Section 26(4), (5) PPDA and hold regular meetings in line with the PPDA and PPDR;

- iv) The PE has appointed a disposal committee in line with Section 128 of PPDA and Regulation 92 of the PPDR;
- v) The PE prepared an approved procurement plan for the financial year 2013/2014 and 2014/2015;
- vi) The PE tender committee awards tenders as per the recommendations of the evaluation committee;
- vii) The PE uses open tender as the preferred method since most of the tenders sampled were open tenders;
- viii) The PE starts a procurement process by user requisition and confirmation that funds are set in the procurement plan;
- ix) The PE evaluates its tenders within the prescribed evaluation period of 15 days from the date of tender opening;

### **Identified Areas of Non-compliance**

The Review Team noted the following areas where the PE was not in compliance with the PPDA, the PPDR, circulars and directives issued by PPOA, and generally accepted principles of good practice, that need to be addressed immediately by the PE:

- i) The PE does not keep proper procurement records as required in Section 45 of PPDA;
- ii) The head of the PU and key staff with procurement responsibilities have not been adequately trained in the PPDGM and other Manuals;
- iii) County Government does not maintain a comprehensive and individual file for each procurement and disposal, that would contain all information, documents, and communications relating to that procurement or disposal proceeding. Such files would need to be marked with the relevant procurement or disposal reference number. This means that the PE's record management is therefore not in accordance with, Regulations 8(n) & 34 (3), Circular no. 1/2009 of PPOA and Chapter 7.9 of the PPDGM;
- iv) County Government did not notify PPOA of all contracts over KES 5 million during the financial year under review, in accordance with Section 46 of the PPDA 2005 and PPOA Circulars NO.4/2009;
- v) The PE's evaluation committee evaluates as per the criteria set and in some tenders it introduces other criteria during evaluation contrary to Section 66(2) of the Act;

### **Recommendations**

County Government should put in place remedial actions that will address all deviations identified in this report. Some of the key recommendations include:

- i) The AO should ensure that all the identified weaknesses are addressed and proper documentation of administrative and policy guidelines are instituted;

- ii) County Government should develop a structured training strategy in best procurement practices as reflected in the PPDA, PPDR and PPDGM, other PPOA manuals and circulars, for all key staff involved in procurement proceedings;
- iii) The PE should adopt proper records and filing management in line with the PPDA, PPDR, PPDGM and the PPRMPM;
- iv) County Government should always notify PPOA of all contracts over KES 5 million and of Direct Procurements over KES 500,000, in accordance with PPOA Circular NO.4/2009;
- v) County Government should undertake comprehensive contract and inventory management in line with the PPDA, PPDR and PPDGM;
- vi) The PE should ensure that its evaluation committee evaluates all tenders as per the criteria set in the tender documents as required in Section 80(2) of PPADA, 2015

## **Conclusions**

The Review Team used the sample of procurement and disposal proceedings to evaluate the level of compliance with the PPDA and PPDR. In so doing, the Review Team carefully considered the implications and the significance of individual ratings of the key performance indicators. The Review Team utilized Compliance Rating Indicators as reflected in the PPOA Procurement Review Manual that reflect reasonable and attainable standards of performance. It is apparent that some instances of non-compliance have greater significance than others. This factor has been considered in determining the final compliance level.

The Review Team's overall assessment of the compliance level for County Government has been computed to be 63.20% for the period reviewed with relevant PPDA, PPDR and guidelines in respect of sampled procurement transaction reviewed. This is a satisfactory performance compared to the compliance target of 60% assumed by the Review Team in section 1.5 of this report. Therefore, the overall performance of County Government in procurement and disposal is satisfactory.

