



FINAL REPORT

**OFFICE OF THE PRESIDENT
(MINISTRY OF STATE FOR PROVINCIAL ADMINISTRATION AND INTERNAL
SECURITY)**

PROCUREMENT REVIEW

REVIEW PERIOD: 1 JULY 2007-30 JUNE 2008

22 OCTOBER 2009

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ACRONYMS

AIE	Authority to Incur Expenditure
GSU	General Service Unit
AO	Accounting Officer
D	Minor Deviations
DD	Moderate Deviations
DDD	Major Deviations
DP	Direct Procurement
FY	Financial Year
GOK	Government of Kenya
IFMIS	Integrated Financial Management Information Systems
IPR	Independent Procurement Review
KACC	Kenya Anti Corruption Commission
LPO	Local Purchase Order
LSO	Local Service Order
LVP	Low value Procurement
MCA	Millennium Challenge Account
OP	Office of the President
DPC	Departmental Procurement Committee
MTC	Ministerial Tender Committee
OIT	Open International Tender
ONT	Open National Tender
PE	Procuring Entity
MOSP&IS	Ministry of State for Provincial Administration and Internal Security
PIN	Personal Identification Number
PPDA	Public Procurement and Disposal Act
PPDR	Public Procurement and Disposal Regulations
PPOA	Public Procurement Oversight Authority
PS	Permanent Secretary
PU	Procurement Unit
PV	Payment Voucher
RFP	Request for Proposal
RFQ	Request for Quotations
RRI	Rapid Results Initiative
RT	Restricted Tender
SP	Satisfactory Performance
SPP	Specially Permitted Procurement
SPPO	Senior Principal Procurement Officer
TC	Term Contract
TP	Threshold Program
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

This report presents the results of the procurement review of the Ministry of State for Provincial Administration and Internal Security within the Office of President undertaken jointly by the ARD/PPOA team under the MCA-Threshold Program, which was carried out during the period of May to June 2009. The objective of the exercise was to review the status of the Ministry's procurement, contracting and implementation processes and systems, in order to determine the level of compliance with the new procurement law, regulations, circulars, and directives issued by the Public Procurement Oversight Authority (PPOA) and generally accepted principles of good practice.

The review considered performance of procurement functions for the period 1 July 2007 - 30 June 2008. The review scope encompassed key areas of the public procurement and disposal processes from planning to completion undertaken by the MOSP&IS's headquarters and selected departments, with sample procurements having been selected by random sampling method.

In undertaking the review, procurement in the procuring entity was considered as a high risk, strategic service function, rather than merely a narrow purchasing activity and consideration has been given to the relationship between procurement and overall service objectives of the PE. To assist this approach the review has referred to the key elements of the strategic procurement function, including:

- Needs assessment;
- Procurement Planning;
- Formulation of specifications;
- Requisition of requirement;
- Solicitation of bids
- Evaluation and decision to procure in principle; and
- Contracting and contract management;

The fieldwork was undertaken by going through the files and documents pertaining to the PE'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 procurement unit and the departmental heads overseeing procurement functions.

Ms Jane Njoroge, the Ag. Director, Technical of PPOA led the joint ARD/PPOA to the exit meeting with senior OP management on 31 August 2009 to discuss the findings and recommendations. Mrs Susan Maina, the Administrative Secretary represented the Accounting Officer, led the OP team. During the meeting, several issues brought forward by either party were clarified. Those present agreed on changes in procedures and other measures necessary to rectify the problems and deficiencies observed in the course of the review

The review also considered the reports of earlier reviews carried out in the ministry including the *Independent Procurement Review 2005 (IPR)*; *"The Special Audit Report of the Controller and Auditor General on Finance, Procurement and Implementation of Security Related Projects" April 2006*, *External Audit Report for YR2007-2008*; and periodic internal audit reports. The review evaluated the implementation of the findings and recommendations

of these reports. Most of the recommendations made in earlier reports have not been addressed by the entity.

The most urgently required improvements in the management of procurements are to:

- Enhance internal compliance to procurement law and regulations in procurement and contract management processes;
- Comply with PPOA reporting requirements;
- Improve records management and filing systems;
- Address inadequate staff capacity;
- Enhance insufficient sensitisation training of senior management; and
- Improve procurement contract management.

The PE should produce a comprehensive systems and procedures plan for implementation of the Act and Regulations that establishes procurement as a high-risk and strategic service function.

The detailed results of the review and recommended action are documented in this report. Key findings and recommendations as they relate to each of the areas considered in this review are provided in Chapter 3 of the report, followed by specific findings in Chapter 4. A complete action plan of the recommendations as they relate to each of the areas considered in this review is provided at the end of this report.

This report has included a three-month follow-up period during which the PPOA team will work with the PE to assist with implementation of the recommendations.

The areas considered in the report are critical to the future success of the PE's procurement work. Unless recommendations are implemented, the PE will not be able to comply fully with the *Public Procurement and Disposal Act 2005* and the associated regulations and directives.

1 INTRODUCTION

The Government of Kenya (GOK) and USAID/Kenya signed the Kenya Millennium Challenge Account Threshold Program (MCA-TP) agreement on March 23, 2007. The program addresses public procurement reform, with a particular emphasis on the healthcare sector. The Program consists of three components:

- a. Component 1: Reforming the Public Procurement System;
- b. Component 2: Improving Healthcare Procurement and Delivery;
- c. Component 3: Civil Society Monitoring of Procurement Reform and Healthcare Procurement and Delivery.

For Component 1 of the MCA-TP, ARD, Inc. was selected to provide technical assistance and training to support the Public Procurement Oversight Authority (PPOA) to reform the public procurement system in Kenya. One of the tasks of the project is to assist PPOA to carry out comprehensive procurement reviews (audits) to determine the level of compliance with the laws and adherence to best procurement practices in six high spending procuring entities, namely Ministry of Health, KEMSA, Ministries of Education, Energy, Roads, and the Office of the President. In assessing compliance, “procurement reviews” have been used in place of “audits,” to distinguish these activities from those of the Kenya National Audit Office.

1.1 Mandate of PPOA

Section 49.1(a) of the Act, provides for the PPOA’s procurement review function, 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 contractor shall co-operate with and assist whoever does such an inspection.

The Ag. Interim Director General wrote to the Permanent Secretary in January 2009, informing him that the review would take place and attaching a checklist of the information and documents to be provided by the Ministry.

1.2 Responsibility for implementation of the Act

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 in 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.

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.

1.3 Entry meeting

An entry meeting with the Ministry's management team was held on 16 February 2009 to discuss the scope of the review, the review plan, the reviewers' expectations, access to documentation and other administrative issues. Mr. Maurice Juma, the Ag. Interim Director General PPOA led the joint ARD/PPOA review team to the entry meeting. The MOSP&IS team was led by Mr Lusaka, who represented the Accounting Officer and included among others, the Chair of the Tender Committee, Heads of User Departments, and the Head of the Procurement Unit.

1.4 Specific Review Objectives

The main purpose is to review the status of the PE's procurement, contracting and implementation processes and systems, in order to establish the state of compliance with the new procurement law, regulations, circulars, and directives issued by the Authority.

The specific objectives of this procurement review are:

- To verify the procurement and contracting procedures, processes and documentation followed by PE, in order to determine whether they were carried out in accordance with the Public Procurement and Disposal Act 2005 and the associated Regulations;
- To establish the Ministry's adherence to the general principles of economy and efficiency; equal opportunities; transparency; integrity; fairness; and value for money;
- To determine the technical compliance, physical completion and price competitiveness of each contract in the selected representative sample;
- To review the capacity of PE 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 recommended actions made in the previous reviews have been carried out successfully;
- To assist in clarification of areas where PE may have misunderstood the requirements of the legislation;
- To identify weaknesses e.g. staff shortages, lack of equipment, which impede good performance and need to be rectified; and
- 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?

1.5 Scope of the review

The procurement review covered all procurement activities under the MOSP&IS's jurisdiction. The review covered a sample of the total number of contracts selected from various thresholds and categories executed from 1 July 2007 to 30 June 2008 period. The Review covered all categories of procurements, i.e. of goods, works and services, by each procurement method, to the extent possible.

Main procurement areas covered by the review:

- a) **Selected departments**
 - General Administration at HQ
 - Government Press;
 - Kenya Police Department HQ;
 - General Service Unit HQ; and
 - Administrative Police Training College.

- b) **Procurement methods**
 - Open tenders;
 - Restricted tenders;
 - Request for quotations;
 - Low value procurements; and
 - Restricted security procurements under Section 133 of the Act.

- c) **Categories**
 - Goods;
 - Works; and
 - Services

1.6 Review Methodology

1.6.1 Key documents

The fieldwork for the review concentrated on gathering sufficient evidence to support any findings regarding the compliance and performance of the Ministry of Provincial Administration and Internal Security HQ and selected departments under the Ministry. It had been intended to review a wider sample of district office procurements but, because of the length of time taken to obtain documents, it was not possible to visit any district.

The team reviewed the supporting documentation, such as procurement files, contract files, project documentation, budgets, and strategic plans where available. The PE's strategic plan is still in preparation.

Other background documents included but were not limited to the following: *Independent Procurement Review Report (IPR) 2005, Government Press Strategic Plan, Public Procurement and Disposal Act, 2005 and Regulations, 2006, Public Procurement and Disposal Manual, Organisation of Government of the Republic of Kenya May 2008, Procurement Review Manual, Procurement Records Management Procedures Manual 2008.*

1.6.2 Interviews and Discussions

The team held discussions/interviews with relevant staff/officials of Ministry directly involved in the procurement process to ascertain general and specific information about the procurement/disposal process, procedures, and existing capacity at the Ministry.

1.6.3 Persons met during the review

Name	Department	Title	Role
Susan Maina	GSU	Administrative Secretary	AIE Holder and Chairperson of GSU PC
A. Lomongin	Police	Administrative Secretary	AIE holder
A.G. Rukaria	GP	Government Printer	Head of Dept
Peter Mwangi	OOP	Principal Procurement Officer	Head of PU
David Onwonga	Police	Chief Procurement Officer	Head of procurement section
Regina Kanyi	GP	Chief Procurement Officer	Head of procurement section
J. Njogu	APTC	Chief Procurement Officer	Head, procurement section
J. Ngo'lekong	GSU	Chief Procurement Officer	Head of procurement section

1.6.4 Sampling

A total sample of 146 procurement transactions were selected in accordance with the procedures outlined in the Procurement Review Manual. There was no disposal undertaken during the period under review.



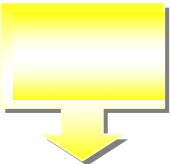

The sampling method and scope was discussed with the Procurement Unit. The review team estimated the probable compliance level of PE to be 50% and the probability therefore of finding any non-conformity to be 99.6%. The number of contracts, which were selected for review, included all procurement methods and categories including works, goods and services undertaken by the PE. With random selection of a minimum of 14 procurement proceedings, there is a high probability of finding one transaction that does not comply with the Act and regulations. This sampling table is adapted from European Standard EN45503.1996.

This level of estimated compliance was based on discussion with the heads of the procurement sections in the departments and the Head of Procurement Unit on the overall management and organization of procurement functions in the PE. Personnel handling procurement-related functions have attended the sensitization training arranged by PPOA and MCA-TP. The review team also found that the OP had 56 cases where applications were made to the administrative review board since 2001.

1.6.5 Rating Criteria

A range of performance indicators to track deviations from the compliance with the act and regulations were selected as set out in the Procurement Review Manual. The deviation indicators were discussed with the staff of the PE.

The reviewed procurements were categorized according to the procurement deviation rating criteria outlined in the procurement manual and TOR. The method was discussed with the Head of Procurement Unit and consisted of four categories namely:

<p>Major deviation DDD</p> 	<p>Where the major requirements of the PP&D Act and Regulations were not adequately followed. This could cause material, financial loss or carry risk for the regulatory system or the entity's reputation. These cases include deficiencies in the structures and systems to implement the law and regulations, or where the procedures have been so flawed that there is severe risk of mis-procurement or procurement fraud. Such cases warrant immediate attention by the Accounting Officer.</p>
<p>Moderate Deviation DD</p> 	<p>Where procurement procedures were considered to have significant omissions or deviations, including: These weaknesses warrant immediate attention of the senior management.</p>
<p>Minor Deviation D</p> 	<p>Where procurement practices and procedures conformed to most regulations, though there were deviations, which are relatively small in quantity, size or degree and are low in risk. These weaknesses warrant immediate attention of the procurement unit or user department. The deviations include: These weaknesses should be addressed by senior management as part of an ongoing improvement plan.</p>
<p>Satisfactory Performance</p> 	<p>Where procurement practices and procedures met the requirements of the law and regulations and were considered to meet standards of good practice.</p>

1.6.6 Limitation of scope

Our scope was limited by the following:

- a) The fragmentation of procurement functions in various departments made it difficult for the team to get documents, information and data necessary for the review;
- b) Lack or incompleteness of records, data and documentation relating to the procurement processes selected. 67 files requested by the review team were not made available;

- c) Because of the lack of a central register of tenders and absence of a reliable records control system, document location and retrieval was difficult;
- d) Lack of documented systems and procedures manuals relating to initiation, certification, and approvals at various levels; and
- e) Inability to verify the authenticity of the documents sampled against authorized official schedules of responsibilities.

2 OVERVIEW OF OFFICE OF THE PRESIDENT

The Office of the President plays a central role in the governance and policy making in the Government of Kenya.

It comprises several key Ministries and/or departments as follows:

- i. Permanent Secretary, Secretary to the Cabinet and Head of Civil Service;
- ii. Ministry of State for Provincial Administration and Internal Security;
- iii. Ministry of State for Defence; and
- iv. Ministry of State for Special Programmes;

The Ministries are considered independent procuring entities within the jurisdiction of the Public Procurement and Disposal Act 2005. The review team did not take all the four ministries under OP. Each Ministry has independent tender committee. The PPOA selected Ministry of Provincial Administration and Internal Security for the procurement review. This Ministry is in charge of Police, GSU, GP and Administration Police. All these departments have one central common MTC.

2.1 Mandate of MOSP&IS

- Co-ordinating the overall Government business;
- Maintenance of Law and order;
- Campaign Against drug abuse;
- Provide Printing Services to the Kenya Government;
- State visits coordination; and
- Establishing, implementing good- policies and providing administrative and leadership service.

2.2 Vision of MOSP&IS

To be a leading agency in the provision of excellent leadership and governance for Kenya's prosperity

2.3 Mission of MOSP&IS

To provide strategic leadership, policy direction, a secure environment and set the agenda for achieving socio-economic and political development of our people.

2.4 Core Functions of MOSP&IS

Provincial Administration and Internal Security is responsible for overseeing the following functions and departments:

- Provincial Administration;
- Kenya Police;
- Administration Police;
- Publication of government documents;
- Boundaries;
- National Agency for campaign Against Drugs Abuse;
- Government Reception;
- Coordination of Disaster and Emergency Response;
- National Disaster Operations Centre;

- Security of Airstrips;
- Maintenance of Security Roads; and
- Mt. Kenya School of Adventure and Leadership

Source: Presidential Circular No: 1/2008 of 30 May 2008

2.5 Organisation of the Ministry

To enable it carry out its functions the Ministry is organised in the following key departments at the headquarter level namely:

- General Administration and Planning at OOP Headquarter;
- Field Administrations Services;
 - ✓ Provincial administration
 - ✓ District Administration
- Administration Police Services;
 - ✓ Administration Training School
 - ✓ Field Administration Polices Services
 - ✓ Security of Government Building and Office Scheme
- Government Press;
- Police Department; and
- General Service Unit.

2.6 Organisation of procurement functions MOSP&IS in the during the review

Name	Title	Role
Francis T. Kimemia	Permanent Secretary	Authorizing/Accounting Officer
Peter N Mwangi	Principal Procurement Officer	Oversees the PU and all procurement activities of the PE.
Joel K. Ngo'lekong	GSU Unit Procurement Officer	Oversees the procurement section and all procurement activities of the Dept.
David Onwonga'	Police Unit Procurement Officer	Oversees the procurement section and all procurement activities of the Dept
R.Kanyi	GP Unit Procurement Officer	Oversees the procurement section and all procurement activities of the Dept
J. Njogu	APTC Unit Procurement Officer	Oversees the procurement section and all procurement activities of the Dept

Procurement functions in the PE are undertaken by a central Procurement Unit based at MOSP&IS headed by a Principal Procurement Officer. The Principal Procurement Officer has delegated departmental procurement functions to the departmental procurement units who handle all departmental procurement proceedings and adjudicate all tenders within the threshold of Procurement Committees. This scope and extent of delegation is not explained

in writing. The departmental procurement officers are effectively operating as individual procurement unit heads reporting to the departmental heads.

All departmental procurement proceedings that fall within the threshold of tender committee are adjudicated by Ministerial Tender Committee at the MOSP&IS headquarters. It was noted that the departmental Procurement Committees verify all the departmental submissions to the tender committee before they are forwarded to the MTC irrespective of the threshold.

In its mandate as the overseer of provincial administration and internal security, the PE has the responsibility of coordinating all the GoK's devolved line Ministry activities at district levels and representations throughout the country.

In 1984, the GoK launched a District Focus for Rural Development Programme. This programme was the onset for a radical administrative reform: a near complete de-concentration of all line Ministries directly to the district level. One consequence of this administrative reform was the weakening of control and report consolidation at the Provincial level (8 Provinces), and a much greater proportion of budget execution at the district level (currently there 253 gazetted Districts). The District Commissioners were given the responsibility for administering the district offices of the line Ministries. In this process, they became the *de facto* accounting officers for all line Ministries in their respective districts. They were directly accountable to the Ministry of State for Provincial Administration and Internal Security (MOSP&IS).

These radical reforms held many economic and political consequences especially with respect to Public Financial Management. The lack of capacity at the district level, and the weak financial administrative network made this, and still makes this, a special challenge to budget execution in Kenya. For example:

- The budget is not structured to segregate expenditure by district for each line Ministry. This leaves a very ambiguous interpretation to the concept of budget ceilings when applied to district level expenditure with important ramifications *vis-à-vis* procurement;
- Given the questions raised with regards to budget ceilings at the district levels it raises questions as to the effectiveness of the commitment controls; and
- The *de facto* status of Accounting Officer adopted by the District Commissioners distorts the concept of accountability of the Accounting Officers responsible for the line Ministries, at least to the degree that expenditure is undertaken at the district level. The District Commissioners do not report any procurement expenditure or performance of the procurement budget to the line Ministries.

The MOSP&IS is empowered to provide oversight and guidance to the District administrations. However, due to shortage of staff at the MOSP&IS, it appears that, with regard to procurement, the PE is not in a position to perform these duties fully and effectively. With the rapid expansion of the number of districts without a corresponding increase of the procurement staff levels, the situation has become critical. It was further observed that Ministry of Finance which posts procurement personnel does not consult the PE on posting or transfers.

District Tender Committees were set up as part of the administration restructuring that took place in 1984 -1986 when the District Commissioner function was instated and was later incorporated in the Public Procurement and Disposal Act 2005. Initially the District Tender

Committee was chaired by the District Commissioner. With the enactment of the Public Procurement and Disposal Regulations 2006, the District Tender Committees are chaired by a District departmental head appointed in writing by the District Commissioner. These arrangements have led to many difficulties with serious consequences for public procurement at the district level. The complete control of expenditure and procurement by the District Commissioners sometimes led to budgetary transfers across budget heads, as the districts needs were viewed holistically and over rode any budgets or procurement plans that might have been structured from a line Ministry centric viewpoint. The Districts do not have to provide any form of feedback to the headquarters of Office of the President regarding procurement.

The intention of incorporating the District Commissioner into the procurement and expenditure operations of the line Ministries was to create a counter balance to the line ministries in their decisions and provide a control as part of the local development programme.

Although the departmental and district procurement officers are considered responsible to the Principal Procurement Officer at the PE headquarter, they are effectively independent and operating as autonomous individuals.

2.7 Procurement Resources

2.7.1 Dedicated Procurement /Supplies staff

The PE has a small team of staff dedicated to the management and administration of procurement, supplies and stores. Currently the PE has the following staff at both the headquarter and district countrywide:

Principal Procurement Officer	1
Senior Procurement officer	14
Procurement Officer 1	15
Procurement Officer 11	41
Procurement Assistant	32
Clerical officers	106
Storekeeper	30
Store men	20
Other	20

There are currently 253-gazetted districts in the country. A large number of these districts are operating without the services of procurement professionals contrary to Section 26 (7) of the Act. In some districts, the procurement functions are being handled by either clerical officers or store men. The Accounting Officer had requested the Treasury to consider the capacity situation as critical and proposed the following staff level:

Senior Procurement Officer	60
Procurement Officer 1	80
Procurement Officer 11	100
Procurement Assistants	120

2.7.2 Other Internal Procurement resources

The PE utilises the specialist expertise of a number of other posts within the PE on an *ad hoc* basis to undertake procurement functions. Such post holders contribute to the procurement of items within their area of responsibility and make valuable cost-effective contributions to procurement process elements, such as drafting of specifications, evaluation and monitoring and evaluation of effectiveness. Personnel involved in procurement on an *ad hoc* basis include finance officers logistics officers and planning officers. This has at times resulted in one officer undertaking the entire procurement process contrary to Section 26 (3) (c) of the Act.

2.8 Members of Standing Committees during the period under review

2.8.1 Ministerial Tender Committee

Citation: The Ministerial Tender Committee is wrongly cited as Office of The President Ministerial Tender Committee while it is in fact a Ministerial Tender Committee for *The Ministry of State for Provincial Administration and Internal Security*. The individual ministries of state with designated accounting officers falling under the Office of the President have their own tender committees.

NAME	ROLE
Mr J.G.Makumi	Chairman
Ms S. Mwangi	Deputy Chair
J.Mutemi	Member
R.M Kikwau	Member
Mr. J.M. Wambugu	Alt.Member
B.M.Mutua	Alt. Member
Mrs. S.W.Maina	Member
Mr.J.M.Kirubi	Member
Ms. V. Mbugua	Alt.Member
Mr. M Chidzunga	Member
F.K Mulandi	Alt. Member
Mr.I.S.Kakai	Alt.Member
K.Mbugua	Member
S.O. Okubasu	Member
Mr.R.M.Gicia	Secretary

2.8.2 Government Press Procurement Committee

B.N Nyagah	Chairman
I.S Kakai	Member
D. Khandiva	Member
A.P. Abebe	Member
Bahati Karenga	Member
Caroline Wachira	Secretary

2.8.3 GSU Procurement Committee

NAME	ROLE
S.W.Maina	Chairperson
B.M.Mutua	Deputy Chairperson
D.Memba	Member
B.Kogo	Member
K.Momanyi	Member
S.Keri	Member
S.Maswili	Member
W.Masinde	Member
J.Ngolekong	Secretary

2.8.4 Police Procurement Committee

Name	Role
A.Lamongin	Chairman
J.M.Wambugu	Member
L.Mwandi	Member
M.W.Muthoni	Member
D.K.Kanja	Member
C.Mutua	Member
P.Mwanzia	Member
D.Onwonga	Member

2.8.5 Police Inspection and Acceptance Committee

NAME	ROLE
John.W. Okello	Chairman
Douglas Kirocho	Member
Johnstone. Ipara	Member
D.O. Meda	Member
Joseph Ndegwa	Member

2.8.6 GSU Inspection and Acceptance Committee

NAME	ROLE
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D.Memba	Member
B.Kogo	Member
K.Momanyi	Member
D. Maswili	Member
B.M.Mutua	Member

2.8.7 GP Inspection and Acceptance Committee

NAME	ROLE
Z.Kona	Chairman
H.Ominde	Member
D.Korir	Member
J.Sishia	Member
C.Komen	Member
M.Mwangi	Member

2.9 Capacity Building Activities for the PE under MCA

ARD Inc undertook training for 92 personnel involved in procurement related functions in the PE both at headquarter and regional locations. The participants were trained in varied subjects as follows:

Course	No
Project management	4
Sensitization 17	10
Sensitization 18	10
Records management 3	14
General Procurement Manual	24
Advance Procurement	10
Works Manual	6
ICT Manual	4
Services Manual	11
Total	93

2.10 Procurement Activity

In terms of current procurement output, the current value of the procurement budget is approximately Ksh13.3 billion for the FY2008-2009 spread amongst the five departments as follows:

Department	Amount
GSU	1,783,531,495.00
MOSP&IS	1,728,746,033.00
POLICE HQ	7,577,541,781.00
APTC	1,683,852,865.00
GP	543,076,109.00
Total	13,316,748,283.00

There were 84 procurement proceedings of total amount Ksh 2,710,735,596.56 over Ksh 5,000,000.00 threshold not reported to PPOA as required by Act and Regulations.

POLICE	29/2007-08	DP	443,745,886.00	Cessna Aircraft
POLICE	19/2007-08	DP	406,115,968.00	Timsales Ltd
POLICE	25/2007-08	DP	242,333,055.00	Different Suppliers
POLICE	20/2007-08		137,500,000.00	Pisu & Co. Ltd.
POLICE	28/2007-08		137,500,000.00	Pisu & Co. Ltd.
ADMPOLICE	NBI/DOI/36/07-08	ONT	112,867,536.00	Eldo-Rosta Const.
POLICE	35/2007-08	DP	97,580,000.00	Pakistan Ordinance
POLICE	34/2007-08	DP	91,376,092.00	Timsales Ltd
POLICE	38/2007-08	DP	88,330,223.00	Timsales Ltd
POLICE	25/2007-08	DP	76,146,744.00	Timsales Ltd
GP	GP/7/07-08	ONT	65,000,000.00	Various Firms
GP	GP/2/07-08	ONT	45,000,000.00	Various Firms
POLICE	Q(2)07-08 ONT	ONT	31,465,000.00	Pisu & Co. Ltd
ADMPOLICE	22/2007-08	DP	30,000,000.00	Car Expert Ltd
POLICE	20/2007-08	DP	27,782,420.00	ISPRA Israel Co. Ltd
POLICE	Q(2)07-08 ONT	ONT	24,505,000.00	Nirav Agencies
ADMPOLICE	APTC/1/2007-2008	ONT	20,301,300.00	Jojen Butchery
ADMPOLICE	APTC/1/2007-08	ONT	19,987,200.00	Kiwaka
ADMPOLICE	APHQS/104/07-08	RT	19,940,000.00	Nirav Agencies Ltd
ADMPOLICE	PUBLIC WORKS	RT	19,881,124.00	Kiu Construction
ADMPOLICE	39/2007-08	ONT	19,778,928.00	Ekalaka Construction
ADMPOLICE	39/2007-2008	ONT	19,568,852.00	Multi Construction
ADMPOLICE	APHQS/121/07-08	RT	19,300,000.00	E. African Metal
OP	Price Variation	DP	18,500,000.00	Mashariki Motors
OP	OOP/049/2007-08	RFQ	16,684,700.00	Different Suppliers
ADMPOLICE	APTC/103/2007-08	RT	16,588,000.00	Unique Suppliers Ltd
OP	OOP/49/2007-08	RFQ	16,422,700.00	Various Suppliers
POLICE	22/2007-08	DP	15,800,964.00	General Motor E.A
POLICE	39/2007-08	RT	14,176,000.00	Kenya Tents Ltd
ADMPOLICE	19/2007-2008	DP	14,112,500.00	PISU & CO
POLICE	Q(3)07-08 ONT	ONT	13,062,500.00	R. H. Devani
POLICE	Q(3)07-08 ONT	ONT	13,000,000.00	Pisu & co.ltd
POLICE	Q(2)07-08 ONT	ONT	13,000,000.00	Kolomatics Enterp
POLICE	Q(5)07-08 ONT	ONT	13,000,000.00	Purma Holdings
POLICE	RFQ	RFQ	13,000,000.00	Site Hardware

POLICE	RFQ	RFQ	13,000,000.00	Uganda Electricals
ADMPOLICE	19/2007-2008	DP	11,977,500.00	MASPA ENT.
POLICE		ONT	11,774,400.00	ACCESS (K) LTD
ADMPOLICE	19/2007-2008	DP	10,875,000.00	MASPA ENT.
POLICE	Q(6)07-08 ONT	ONT	10,788,000.00	Pisu & Co.
GP	GP/8/07-08	ONT	10,534,000.00	Various Firms
ADMPOLICE	APHQS/80/07-08	RFQ	10,316,710.00	ODDS AND ENDS
ADMPOLICE	APTC/121/07-2008	RT	9,894,000.00	E. African Metal
GSU		ONT	9,760,000.00	Jambo Biscuit[K] Ltd
POLICE	30/2007-08	ONT	9,487,000.00	Markways Enterprise
POLICE	Q(5)07-08 ONT	ONT	9,450,000.00	Sub-sahara supplies
POLICE	34/2007-08	RT	9,339,972.00	Magnifica Ltd
POLICE		ONT	8,982,660.00	NEW EDGE COMM
POLICE	397116	ONT	8,060,000.00	Kenya Shell
GSU	GSU/Q/3/07-08	ONT	7,800,000.00	ROCHMAN
GSU	GSU/Q/6/07-08	ONT	7,656,000.00	FORCES EQUIP
GP	GP/14/07-08	RT	7,620,000.00	Mcknight Print
GSU	GSU/Q/3/07-08	ONT	7,500,000.00	ROCHMAN
POLICE	40/2007-08	RT	6,909,099.60	Peff Agencies
POLICE	Q(2)07-08 ONT	ONT	6,736,500.00	Izmir enterprises
POLICE	20 PCS	ONT	6,733,320.00	NEW EDGE COMM
POLICE	Q(2)07-08 ONT	ONT	6,496,000.00	Forces equipment
ADMPOLICE	APTC/1/2007-08	ONT	6,381,000.00	Premier Food Industr
POLICE	20/2007-08	DP	6,370,000.00	ISPRA Israel Co. Ltd
POLICE	397064	ONT	6,200,000.00	Kenya Shell
POLICE	Q(2)07-08 ONT	ONT	6,200,000.00	Teq System
POLICE	23/2007-08	DP	6,142,189.00	Africair Inc.
GSU	GSU/Q/81/07-08	RFQ	5,742,500.00	NEW EDGE
POLICE	RFQ	RFQ	5,721,893.00	C.B. Designs
POLICE	Q(5)07-08 ONT	ONT	5,700,000.00	Purma Holdings
POLICE	Q(5)07-08 ONT	ONT	5,670,000.00	Subsahara supplies 1
POLICE	Q(2)07-08 ONT	ONT	5,600,000.00	Izmir enterprises
POLICE	Q(3)07-08 ONT	ONT	5,600,000.00	Purma holdings
POLICE	Q(4)07-08 ONT	ONT	5,600,000.00	Manchester Outfitters
POLICE	RFQ	RFQ	5,600,000.00	Site Hardw
POLICE	RFQ	RFQ	5,600,000.00	Bviolet Investment

POLICE	Q(2)07-08 ONT	ONT	5,568,000.00	Forces Equipment
GSU	GSU/Q/5/07-08	ONT	5,564,800.00	FORCES EQUIP.
POLICE	397065	ONT	5,550,000.00	Kenya Shell
POLICE	Q(2)07-08 ONT	ONT	5,508,000.00	Forces equipment
POLICE	Q(5)07-08 ONT	ONT	5,400,000.00	Purma Holdings
POLICE	Q(2)07-08 ONT	ONT	5,400,000.00	Purma Holding
POLICE	Q(10)07-08	ONT	5,315,200.00	East African Metal
POLICE		DP	5,187,110.96	Standard Ltd
POLICE	35/2007-08	RT	5,072,050.00	Different Suppliers
GP	GP/13/07-08	RT	5,000,000.00	Paperworld Printing
	TOTAL		2,710,735,596.56	

There were 37 direct procurement proceedings of total amount Ksh 1,894,818,112.34 over the Ksh 500,000.00 threshold that were not reported to PPOA as provided in the Act and regulations as follows:

POLICE	29/2007-08	DP	443,745,886.00	Cessna Aircraft Co. &
POLICE	19/2007-08	DP	406,115,968.00	Timsales Ltd
POLICE	25/2007-08	DP	242,333,055.00	Different Suppliers
POLICE	20/2007-08	DP	137,500,000.00	Pisu & Co. Ltd.
POLICE	28/2007-08	DP	137,500,000.00	Pisu & Co. Ltd.
POLICE	35/2007-08	DP	97,580,000.00	Pakistan Ordinance
POLICE	34/2007-08	DP	91,376,092.00	Timsales Ltd
POLICE	38/2007-08	DP	88,330,223.00	Timsales Ltd
POLICE	25/2007-08	DP	76,146,744.00	Timsales Ltd
ADMPOLI	22/2007-08	DP	30,000,000.00	Car Expert Ltd
POLICE	20/2007-08	DP	27,782,420.00	ISPRA Israel Co. Ltd
ADMPOLI	19/2007-08	DP	23,552,500.00	Different Suppliers
ADMPOLI	19/2007-08	DP	22,132,500.00	Different Suppliers
OP	Price Variation	DP	18,500,000.00	Mashariki Motors
POLICE	22/2007-08	DP	15,800,964.00	General Motor E.A
POLICE	23/2007-08	DP	6,142,189.00	Africair Inc.
POLICE		DP	5,187,110.96	Standard Ltd
POLICE		DP	3,449,944.00	Nation Media
POLICE	SB/P/4/43/VOL	DP	2,784,000.00	Copy cat ltd
POLICE	21/2007-08	DP	2650589.94	Africair Inc.
POLICE	28/2007-08	DP	2,420,129.00	KWS (Airwing)
POLICE	640706	DP	2,044,010.44	KWS
POLICE	(supplies branch)	DP	1,602,499.00	SUPPLIES BRANCH

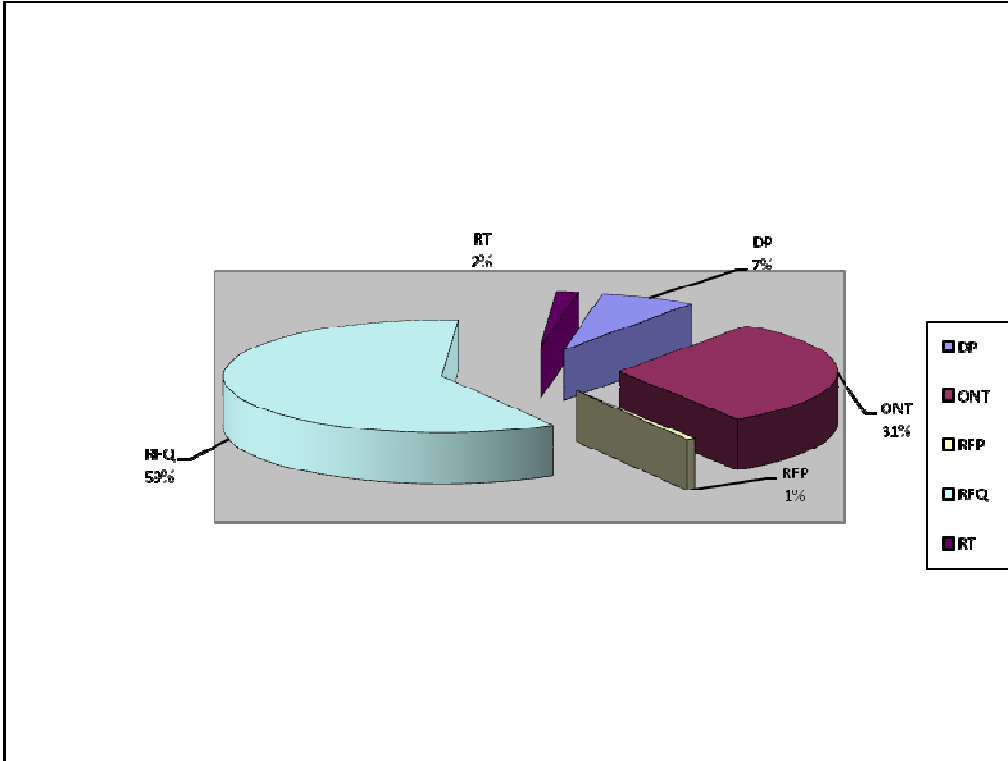
POLICE		DP	1,456,485.00	SUPPLIES BRANCH
ADM POL	19/2007-08	DP	1,276,000.00	Newedge Comm.
GSU		DP	1,080,000.00	New KCC
GSU		DP	1,080,000.00	New KCC
GSU	GOVERNMENT	DP	1,000,000.00	KBS
GSU		DP	864,000.00	New KCC
POLICE		DP	812,000.00	Nation Media
POLICE	25/2007-08	DP	725,750.00	KWS
GSU	DP	DP	719,200.00	COPY CAT
POLICE	397071	DP	575,000.00	KWS
GSU	DP	DP	552,853.00	D.T. Dobie
	TOTAL		1,894,818,112.34	

There were 11 tenders over Ksh 50,000,000.00 that were adjudicated by MTC without external observers as provided for in the regulation 12 (8) as follows:

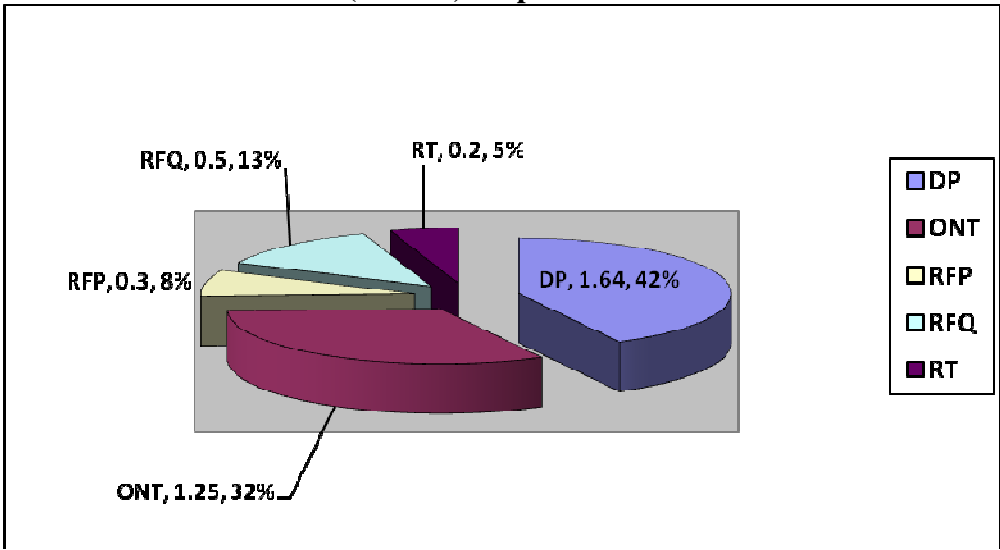
29/2007-08	DP	GOODS	443,745,886.00	Cessna Aircraft Co. &
19/2007-08	DP	WORKS	406,115,968.00	Timsales Ltd
25/2007-08	DP	GOODS	242,333,055.00	Different Suppliers
20/2007-08	TERMIN	GOODS	137,500,000.00	Pisu & Co. Ltd.
28/2007-08	TERMINA	GOODS	137,500,000.00	Pisu & Co. Ltd.
NBI/DOI/36/07-08	ONT	WORKS	112,867,536.00	Eldo-Rosta Const.
35/2007-08	DP	GOODS	97,580,000.00	Pakistan Ordinance
34/2007-08	DP	WORKS	91,376,092.00	Timsales Ltd
38/2007-08	DP	WORKS	88,330,223.00	Timsales Ltd
25/2007-08	DP	GOODS	76,146,744.00	Timsales Ltd
GP/7/07-08	ONT	GOODS	65,000,000.00	Various Firms

2.11 Expenditure by procurement method for period under review

2.11.1 Number of transactions for period under review



2.11.2 Procurement value in Ksh (Billions) for period under review



3 GENERAL FINDINGS AND RECOMMENDATIONS

3.1 Citation of the Act and Regulations

Findings: The PE is continually referring to "*laid down Government Procurement Procedures and Regulations*" in all its deliberations and correspondences on procurement related functions instead of the Public Procurement and Disposal Act 2005 and Public Procurement and Disposal Regulations 2006.

Recommendation: The PE should adopt the use of the appropriate Act and Regulations in all its deliberations and correspondences.

Response

3.2 Procurement performance

Finding: The procurement expenditure data is not being generated and monitored by categories of goods, works and services, procurement methods or suppliers. Of the total amount of Ksh 3,815,571,871.00 spent on procurement of works, goods and professional services during the FY2007-2008 only 32% was based on open tendering method. This is very low compared to the OECD recommended level of about 60%. The entity's expenditure was 42% on direct procurement or non-competitive bidding.

The procurement data provided by Procurement Unit was inadequate and could not provide reliable information.

The largest level of effort (59%) in the Procurement Unit is concentrated on processing requests for quotations for various repetitive consumables amounting to Ksh 0.5 billion against total procurement budget of Ksh3.8billion.

Recommendation: The PE should promote and provide for full and open competition in soliciting offers and awarding contracts. Full and open competition enhances transparency, the government's ability to get the best price and generally results in enhanced value for money.

The Procurement Unit should be strengthened and provided with adequate resources, tools and skills to enable it adopt strategic procurement methods, including framework contracts for repetitive purchases, which will increase value for money.

The Procurement Unit should institute a procurement expenditure data capturing and collation system for the entire PE. By analysing reports generated from expenditure data, stakeholders within and outside the PE can discover what MOSP&IS is procuring, when was it procured, who they are procuring from (and at what cost), how frequently they are procuring and which category of works, goods or services are being procured.

Response:

3.3 Lack of security requirements dual list (Section 133 of the Act)

Finding: The PE has not developed a dual list for security requirements in consultation with PPOA as provided for in the Section 133 of the Act. The review team was provided with a procurement plan for security equipment for 2008-2009 but could not ascertain how this plan was worked out. The review team is did not find any evidence of consultation with PPOA on this list in operation.

Recommendation: Considering the large budget involved in this line of expenditure (Ksh 440,156,014.00), it is prudent that the Accounting Officer sets up a coordinating team to collaborate with PPOA to develop the dual list and the procurement plan, which conforms to the procurement law and regulations. A clear definition of what constitutes security procurements should be agreed on in the security organs of the PE and PPOA. In addition, a clear procedure for carrying out and reporting on such procurements in line PPDA and associated regulations should be agreed upon and implemented.

Response:

3.4 Non-implementation of recommendations of previous reviews.

Findings: There was no evidence that the key observations and recommendations made from other previous reviews on matters relating to procurement management were implemented by the Procurement Unit. The main reviews undertaken previously include Independent Procurement Review (IPR) 2005, Auditor General's Report FY2006-2007, and Internal Auditor's report.

The *IPR* capacity assessment identified the following main areas as requiring improvement:

- "For the most part procurement plans are not prepared and are not used for the planning and monitoring of procurement activities;"
- "There were many staff vacancies identified in procurement";
- "There was very limited experience of staff in selection of consultants";
- "In many cases the members of the Tender Committees did not have the requisite expertise to function properly in their roles";
- "Poor records management system"; and
- "Limited experience in handling large-scale contracts, with a particular weakness in handling consulting tenders."

The Special Audit Report of the Controller and Auditor General on Finance, Procurement and Implementation of Security Related Projects of April 2006 did identify the following weakness in procurement related functions:

- "Competitive bidding as provided in the Public Procurement and Disposal Regulations was not applied to the identification and award of the contracts to various suppliers";
- "For most of the contracts, the suppliers were not subjected to diligence tests, with the result that it has not been possible to establish how their competence, capacity and capability to deliver the contracts were ascertained"; and
- "In all contracts, there was no linkage between payments made to the contractors/suppliers by treasury and level of actual project implementation by contractors/suppliers on the ground."

The GP internal audit report dated 24 November 2008 raised very fundamental deficiencies in procurement related functions:

- Obsolete stocks worth Ksh 3,499,132.00 held since 1999 without disposal action;
- 101.9 tons of assorted bulk paper received without LPOs;
- 2898 reams and 10 tons of assorted pare received and not entered stores records; and
- 1000 reams of paper purchases entered twice in the records.

Recommendations: The Accounting Officer should ensure that key recommendations for the previous reports are implemented in order to improve the entity's reform and increased regulation in three areas: 1) award of contracts; 2) management of contracts; and 3) competitive bidding of inherently direct procurement method being used.

Response:

3.5 Poor records management and filing systems

Findings: Sixty-seven procurement files that were requested were not made available to the review team despite the fact that they existed as follows:

TENDER/LPO NO	DEPT	DESCRIPTION	METHOD	AMOUNT
0164582	POLICE/TM	TEXTILE	ONT	31,465,000.00
0164581	POLICE/TM	TEXTILES	ONT	24,505,000.00
0474072	POLICE/TM	UNIFORM	ONT	5,600,000.00
0474070	POLICE/TM	UNIFORM	ONT	6,496,000.00
0474058	POLICE/TM	UNIFORMS	ONT	6,736,500.00
0647544	GSU		DP	6,400,000.00
0623058	POLICE/QTM	BEDS	ONT	13,062,500.00
0222256	POLICE/CFA	RIOT BALLS	DP	11,500,000.00
0222259	POLICE/CFA	RIOT GEAR	ONT	5,118,024.00
0435367	GSU		DP	6,400,000.00
87931	APTC	PHOTOCOPY	DP	2,784,000.00
2007-2008	GSU		DISPOSAL	
POLICE/Q/2/2007-2008	POLICE		TENDER	31,465,000.00
POLICE/Q/2/2007-2008				
POLICE/MTC/7/6/2007-08	POLICE	UHF EQUIP	RT	8,982,660.00
GSU/MTC/20/11/2007-08	GSU	LAN NETWORK	RT	5,633,575.00
POLICE/MTC/20/12/07-08	POLICE	RIOT GEAR	DP	137,500,000.00
POLICE/MTC/20/6/07-08	POLICE	TEAR GAS	DP	
POLICE/MTC/19/2007-08	POLICE	PREFAB HSES	DP	406,115,968.00
POLICE/MTC/21	POLICE	COMPUT	ONT	

/7/07-08				
POLICE/MTC/25/2007-08	POLICE	PREFAB HSES	DP	76,146,744.00
POLICE/MTC/26/2007-08	POLICE		DP	76,146,744.00
APTC/MTC/27/4/2007-08	APTC	WORKS	ONT	112,8867,536.00
POLICE/MTC/28/5/2007-08	POLICE	RIOT GEAR	DP	137,500,000.00
POLICE/MTC/29/3/07-08	POLICE	NEW A/C	DP	445,655,840.00
APTC/MTC/31/9/2007-08	APTC	AMMUNITI ON	DP	29,200,000.00
GSU/MTC/34/5/2007-08	GSU	COMPO RATION	ONT	25,001,000.00
GP/MTC/34/7/2007-08	GP	PAPER BULK	RT	5,000,000.00
POLICE/MTC/34/10/07-08	POLICE	PREFAB HSES	DP	91,376,092.00
POLICE/MTC/35/2007-08	POLICE	PREFAB HSES	DP	CANCELLED
POLICE/MTC/38/4/07-08	POLICE	PREFAB HSE	DP	88,330,223.00
GSU/MTC/37/8/2007-08	GSU	UNI HUTS	ONT	12,978,000.00
GSU/MTC/37/10/2007-08	GSU	VARIATION	ONT	68,847,000.00
POLICE/MTC/20/2007-08	POLICE		DP	27,782,420.00
OOP/MTC/39/7/2007-08	OOP	FURNITURE	RFQ	16,684,700.00
APTC/MTC/39/8/2007-08	APTC	FURNITURE	RFQ	19,424,230.00
POLICE/MTC/39/13/07-08	POLICE	TENTS	RT	14,176,000.00
APTC/MTC/39/16/07-08	APTC	TENTS	RT	16,588,000.00
GP/05/2007-2008	GP	ENVELOPES	ONT	
GP/07/2007-2008	GP	PAPERS	ONT	
GP/09/2007-2008	GP		ONT	
GP/10/2007-2008	GP	SEPARATIO N	ONT	
100/2007 – 2008	GP	FLOG ALCOHOL	RFQ	2,497,500.00
208/2007 – 2008	GP	TABLE	RFQ	299,000.00
OP/013/2007-	OP	Repair vehicle	RFQ	173,600.00

2008				
OOP/001/2007-08	OP	Air lifting	ONT	
OOP/002/2007-08	OP	Cleaning	ONT	
OOP/003/2007-08	OP	Land scaping	ONT	
OOP/004/2007-08	OP	Stationery	ONT	
OOP/005/2007-08	OP	Comp.stationery	ONT	
OOP/006/2007-08	OP	Tyres and tubes	ONT	
OOP/007/2007-08	OP	Cut flowers	ONT	
OOP/008/2007-08	OP	Computer/ Printers	ONT	
OOP/009/2007-08	OP	Fumigation	ONT	
OOP/0011/2007-08	OP	Misc items	ONT	
OOP/013/2007-2008	OP	Mounting	RT	3,750,000.00
OOP/014/2007-2008	OP	Power distribution	RT	4,063,672.00
OOP/012/2007-2008	OP	Prequalification	RT	4,630,952.00
PREQ 1/2007-08	OP	Prequalification	ONT	
PREQ 2/2007-08	OP	Prequalification	ONT	
PREQ 3/2007-08	OP	Prequalification	ONT	
PREQ 4 / 2007 – 08	OP	Prequalification	ONT	
PREQ 5/2007-08	OP	Prequalification	ONT	
PREQ 6/2007-08	OP	Prequalification	ONT	
Price Variation	OP	BMW Motor biker	DP	18,500,000.00
OOP/11/2007-2008	OP	Hunter Douglas	RT	3,195,075.00

The procurement personnel kept promising but did not produce the files nor did they give any reason why the files could not be made available for review. The review team could not delay the report any longer. The system of filing and record keeping is fragmented and scattered amongst various departments of the Ministry. The Procuring Entity does keep

procurement records in accordance to Section 45 of the Act. This hampers document location, retrieval, and traceability. The departmental procurement units and the Procurement Unit are not maintaining complete and comprehensive procurement files for each procurement activity as articulated in Regulation.34.(3).

No long-term arrangements in GSU, Administration, and GP have signed framework agreements with the suppliers. In GSU the pre-qualified suppliers are appointed by through letters, which do explain any terms of reference.

For all procurements for which procurement files were made available there was a substantial documentation missing, especially for procurements carried out by GP, Administration, and APTC.

Although effort has been made to number the procurement files, there was no systematic referencing of all the procurements carried out in all departments, thus making tracking and monitoring of these procurements difficult.

Recommendation: The PE should upgrade the record keeping in line with the requirements of Section 45 of the Act, Regulation 34 (3) and the *Procurement Records Management Procedures Manual*. (www.ppoa.go.ke).

A clear mechanism by which the PU can coordinate procurement in departments and provide necessary support should be established as soon as possible.

The PE should collaborate with PPOA to enhance sensitisation training of the MOP&IS high-level staff on the procurement law, regulations and procedures and role of the PU.

Response:

3.6 Lack of comprehensive system and procedures for procurement

Findings: The procurement function in the PE is considered a high risk and strategic service function and not merely an administrative function as it appears now. The PE does not have clear and documented system and procedures for implementation of the Act and Regulations.

Recommendations: The PE needs to build organizational capacity to develop comprehensive system and procedures on all procurements at headquarters and field levels encompassing the following functions:

- Develop systems that will increase the compliance and improve contract management;
- Promulgate systems and procedures that will maximize the use of full and open competition and that will provide appropriate oversight for all non-competitive contracts;
- Developing a strategic direction for procurement functions that aligns with national and local objectives;
- Undertaking adequate procurement planning for all procurement requirements;

- Providing adequate staffing to match the volume and level of competence required for the category and complexity of the requirements at the national and local levels;
- Providing guidance, tools and support to staff engaged in procurement functions;
- Evaluating procurement methods and options for emergencies;
- Streamlining the assessment process for repeat suppliers and contractors;
- Setting-up a database recording the performance and competitiveness of suppliers and contractors and using the information to inform future tender evaluation;
- Standardizing the approach to specifying security requirements and standards;
- Engaging with the local industry players and creating opportunities for suppliers to participate in service developments;
- Establishing communication channels between services engaged in infrastructure and procurement; and
- Exploring opportunities to introduce modern procurement practices such as long-term contracts and partnership with suppliers.

Response:

3.7 Lack of segregation of procurement responsibilities

Finding: The PE does not have documented procedures for ensuring that its procurement decisions are made in a systematic and structured way in accordance with Section 26(1) of the Act. In the Police Department, the direct procurement of prefabricated buildings amounting to Ksh 661,969,027.00 was handled by the user department from the initiation, solicitation, evaluation, implementation and taking over of the buildings with very minimal involvement of Procurement Unit.

Recommendation: There is an urgent need for the Accounting Officer to prepare a systems and procedures manual that will guide the staff on the initiation, authorisation and approval procedures for procurement related functions as provided for in the Act and regulation.

Response:

3.8 Procurement Unit

Finding: The roles of the PU in the Ministry are not well defined in regard to the procurement functions in the departments and districts. The scope of delegated functions by the head of PU to the departmental procurement units is not written.

Staff capacity is inadequate to handle the volume, complexity and specialised nature of the procurements being undertaken by the PE. The procurement functions in the districts are presently being handled by non-procurement professionals.

Procurement personnel are posted directly to the districts by the Ministry of Finance without consultation with the PE.

The responsibility of the PU in support and coordination of procurements in security requirements is not well clarified.

There is duplication of functions and waste of resources in the way departmental procurement sections operate. Each department undertakes its own prequalification of suppliers of standard goods and services like the annual tenders for boots, composites, uniforms, tents, stationery and furniture. Besides, each department undertakes their own registration of suppliers for RFQ and LVP solicitations.

Recommendation: There is an urgent need for professionals to manage the procurement functions. It is not acceptable for the PE to allow untrained personnel to handle procurement functions at the district levels. A clear mechanism by which the Procurement Unit can coordinate procurements in departments and provide necessary support to the districts should be established as soon as possible.

The PE should review the establishment of the Procurement Units in the district to ensure that they are provided with adequate resources to enable them handle the procurement functions adequately.

Sensitization of the high-level staff in the PE on procurement and the role of the PU are very necessary as most of the non-conformity is at the high level.

The Procurement Unit should create a list of minimum requirements that need to be covered in the procurement process from all departments requesting the services to ensure that all necessary information is gathered on a timely basis and captured in the plans.

Response:

3.9 Lack of Procurement Planning

Finding: There is no consolidated procurement plan prepared by PU in the format recommended by PPOA for the PE for the period 2007-2008 in contravention of Section 26 (3) (a) of the Act. This non-conformity has continued for the FY2008-2009.

There are user department procurement plans from GSU, Police and Administration departments that were made available to the review team for the FY2007-2008. The team did not see the user plans for APTC and GP. There was no confirmation that these departmental plans were submitted to the Accounting Officer at least thirty days before the end of financial year as stipulated in Regulation 20 (4). The head PU should take responsibility for this violation of Regulation 20 (5) which provides that the consolidated annual procurement plan shall be prepared by the procurement unit and approved by the head of the procuring entity.

The MTC did not verify and ascertain that all procurements submitted to them for adjudication was planned for and included in the consolidated procurement plan in accordance with the Act. The members of the MTC are violating Section 26 (3) of the Act.

Recommendation The PE should ensure that in future all departments prepare their procurement plans in accordance with the Act and regulations.

PU should prepare consolidated procurement plan in accordance to the Act, Regulations and *Public Procurement and Disposal General Manual* to improve the management all aspects of its procurement.

All future procurement requests should be linked to the consolidated procurement plan. The timing of both the procurement department's activities and the development of document content by others should be derived from this plan.

The procurement plan must be updated continuously to meet changing needs and changes in budgetary provisions as for the procurement of prefabricated houses for the Police Posts in Rift Valley, which was given new funding by the Treasury in the course of the FY2007-2008.

Response

3.10 Development, Adoption and Use of Specifications.

Finding: The specifications in the following large procurements being undertaken by various departments of the PE had several deficiencies and risks:

There was inadequate definition of civil works that did not include scope of works, expected outputs, detailed designs, working drawings, environmental impact assessment reports and contract management. All these were lacking in the contract awarded to Timsales Ltd. The likely consequences are insufficient responses, products offered not meeting needs and difficult to evaluate.

- All tenders for paper procured by Government Press left out the number of sheets in ream. The complete specification for paper should include paper type, paper size, grammage and number of sheets in a ream as stipulated in technical requirements in Section 34 (1)-(3) and Section 52 of the PPD Act.;
- There were cases of brand names being used for medicines e.g. Paludrine tablets, in the Compo rations, Georges boots in the tender for footwear. There was no evidence that equivalents were allowed as per Section 34 (4) of the PPD Act;
- Description of the items are so vague that only the previous supplier will know the requirement as in the case of quantity 3000 pairs of officers leather shoes permanent for men, leather shoes permanent shine for women.

These deficiencies could result in major consequences namely:

- Fewer alternatives;
- Most suitable product or service may not be obtained;
- Increased costs;
- Need not satisfied;
- Time lost;
- Increased costs;
- Possible downtime;
- Inadequate responses from tenderers;
- Claims of unfair dealings;
- Variety of offers;
- Insufficient responses;
- Products offered not meeting needs; and
- Difficult to evaluate

Recommendation: The PE should adopt use of technical and functional specifications and standards that are neutral, based on non-discrimination and not restricting competition, as required by Section 34 of the Act. The action will:

- Ensure specification is consistent with needs analysis;
- Improve market knowledge;
- Use functional and performance specifications; and
- Use an Expression of Interest or Request for Information to clarify requirements (be careful not to infringe intellectual property rights or copyright)

Response:

3.11 Lack of use of standard tender documents.

Finding: The PE is not using most of the standard procurement documents provided in Section 29 (4) of the Act, and as set out in the Third Schedule of Regulations. The user departments initiate procurement process using internal memos instead of official standard purchasing requisitions as stipulated in the *Regulation 22(1)*. Internal memos leave out vital information necessary for procurement activity. There is no evidence that the purchase requests had been approved by the person specified in the First Schedule, prior to the initiation of procurement proceedings (*Regulation 22 (3)*) as it is not reflected in the memos.

It was observed that in some cases where the PE has used the standard tender documents, the documents are not fully customised to the PE. There are cases where the PPOA name and addresses remain in the tender documents. The risk of not using the standard bidding documents is that the PE could violate the standard terms and conditions recommended by the PPOA.

The Procurement Unit does not maintain a central register for procurement requisitions for data transparency and monitoring.

Recommendations: All future procurement requests should be initiated through the official standard purchase requisition recommended by PPOA, which should be duly authorized by accounting officer or the designated official and linked to a consolidated procurement plan and approved budget

The Procurement Unit should ensure that user departments make use of standard bidding documents as set out in the Regulation. The PU should provide personnel handling procurement related functions with appropriate tender planning and procurement skills. Wherever there is doubt, the PU should consult PPOA for advice.

The Procurement Unit should institute a central control register for the purchase requisitions initiated from various departments.

There should be a budget line indicated on the purchase requisitions to show source, allocation, and availability of funds in the budget for particular procurement, authority to incur expenditure for the purchases being requested and authorization. The information on the documentation should be similar to that on the Vote Book Certificate on the payment voucher namely:

- Indexed to Consolidated Procurement Plan;
- Budget Vote item No;

- Total amount budgeted;
- Accumulated plus commitment;
- Amount requested;
- Balance c/f;
- Signed by AIE holder; and
- Approved by Accounting Officer/designated officer.

Response

3.12 Pre-qualification of suppliers and long term arrangements

Finding: The PE awarded 27 departmental framework agreements of annual tenders for specialized, complex for goods and services in accordance with and in accordance with Section 31 of the PPD Act.

It was observed that most long-term arrangements have framework agreement entered into with the prequalified suppliers, which could set out terms and conditions of the contracting process from contract creation and negotiation through monitoring, compliance and renewal.

Recommendation: A procedural requirement should be implemented in the PE to encourage the use of a consolidated prequalification procedure for suppliers of common specialised works, goods, and professional services whenever possible and appropriate by all departments.

There should a standard contract agreement developed in the format and form recommended by PPOA.

Response

3.13 Registration of Suppliers

Finding: The review team was not provided with list of registered suppliers from OP Administration, Police, APTC and Government Press departments as provided in Regulation 8.(3)(a)

Recommendation The PU should prepare one standard list of suppliers in accordance with Regulation 8 (3)(a) for all departments since most of their requirements are similar.

Response:

3.14 Lack of periodic market survey

Findings: There are no periodic market price survey undertaken by the procurement unit as required under regulation 8 (z)

Recommendation: The PU should ensure that periodic market price surveys are carried out to ensure that prices quoted and charged are reflect fair market prices

Response

3.15 Evaluation of tenders

Findings: Although for most proceedings reviewed, the method of evaluation was appropriate, the specifications and criteria in the tender documents were mostly unclear and lacking in objectivity. Some of the anomalies observed in the evaluation process included:

- For direct procurements evaluations were not carried out as in the case of fabricated houses procured from Timsales Ltd;
- Technical and price comparisons are not recorded for most cases; and
- No record of bidders' submission.

Recommendation: The PU should ensure that evaluation criteria in the tender documents are objective and adequate.

The PU should ensure that all evaluation reports including evaluation of direct procurements are filed are prepared and filed in the procurement files.

Response:

3.16 Reporting of contracts awarded to PPOA

Finding: For the year under review, the PE did not submit to PPOA all the reports required in accordance to the Act and Regulations as follows:

- 84 procurement proceedings of total amount Ksh 2,731,386,466.00 over Ksh 5,000,000.00 threshold.
- 37 direct procurement proceedings of total amount Ksh 1,624,349,474.00 over the Ksh 500,000.00 threshold.
- There were no records of terminated procurement proceedings made available to the review team.

Recommendation: Submit all the reports required by PPOA namely

- All contracts over Ksh 5million (PPDA Section 46 and directive) of 7 February 2007;
- All direct procurements over Ksh 500,000.00 (Regulation 62 (3)); and
- All terminated procurement proceedings (Act Section 36 (7)).

Response

3.17 Lack of quarterly reports to MTC

Findings: There are no quarterly reports from the PC on awarded contracts submitted to the Ministerial Tender Committee by the all-departmental procurement committees (GP, OP/DA, Police, GSU, APTC) for review by the tender committee as required under Regulation 10 (n). The PU sent a reminder to all departments as per his memo Ref OP/6/23A/XXVII dated 10/1/09. No response has been received so far.

Recommendation: The Chairman of MTC and PU should ensure that departments submit quarterly reports on quotations adjudicated by the departmental procurement committees for review by the ministerial tender committee as required under Regulation 10 (n).

Response:

3.18 External observers not invited to MTC

Finding: There are were no external observers invited to any of the MTC adjudicating high value contracts over Ksh 50,000,000.00 as provided in Regulation 12 (8).

29/2007-08	DP	GOODS	443,745,886.00	Cessna Aircraft Co. &
19/2007-08	DP	WORKS	406,115,968.00	Timsales Ltd
25/2007-08	DP	GOODS	242,333,055.00	Different Suppliers
20/2007-08	TERMIN	GOODS	137,500,000.00	Pisu & Co. Ltd.
28/2007-08	TERMIN	GOODS	137,500,000.00	Pisu & Co. Ltd.
NBI/DOI/36/07-08	ONT	WORKS	112,867,536.00	Eldo-Rosta Const.
35/2007-08	DP	GOODS	97,580,000.00	Pakistan Ordinance
34/2007-08	DP	WORKS	91,376,092.00	Timsales Ltd
38/2007-08	DP	WORKS	88,330,223.00	Timsales Ltd
25/2007-08	DP	GOODS	76,146,744.00	Timsales Ltd
GP/7/07-08	ONT	GOODS	65,000,000.00	Various Firms

Recommendation: The PE should endeavour to invite external observers in all MTC meetings adjudicating cases over Ksh. 50,000,000.00 in accordance with Regulation 12 (8).

Response:

3.19 Contracting and Contract management

Findings: Contract management was identified as a major weakness of the PE in the procurement cycle.. In most cases, the Tender Committee simply endorses the requests made by the user departments especially in the choice of direct procurement methods without thorough verification. There is inadequate vetting and verification of the contract agreement as seen in Timsales Ltd where the contract terms favoured the contractor more than the PE. There was no reason given as to why the recommended contract agreement format recommended by PPOA was not used in long-term contracts in the PE. There was no contract files opened for signed contracts.

For all the cases reviewed, the level of contract monitoring was not satisfactory. There are no systems and procedures put in place for monitoring and managing all the contract life cycles in the following key areas:

- Compliance to pricing and delivery;
- Compliance with the Act and regulations;
- Negotiated contracts during the year and reasons of negotiation;
- Measuring the performance of the contactors; and
- For civil works, there was no record of certificates of completion issued by inspection and acceptance committees.

Recommendation: There is an urgent need to strengthen contract management functions that cross horizontal departmental and district boundaries.

The Procurement Unit should ensure that appropriate contracts are prepared and approved by appropriate experts before being signed by Accounting Officer or delegated authority. In complex procurement arrangements, the PE should seek the advice from PPOA.

The Procurement Unit should guide the user departments on the preparation and implementation of contracts with clear monitoring indicators in compliance with Consolidated Procurement Plan.

Documentation related to the satisfactory delivery of goods or services and satisfactory completion of works as per the agreed contractual terms and conditions signed by inspection and acceptance committees should be included in the comprehensive procurement files to enable an audit trail.

Response:

3.20 Procurement complaints

Finding: The Ministry had 56 cases that went to the Appeals Board since 2001. The team was not provided with documentations of the proceedings of these appeals.

Recommendation: The Procurement Unit should develop comprehensive filing systems for cases with complaints. These should be monitored to determine the causes of the complaints.

Response

3.21 Disposal of obsolete equipment and stores

Finding: The PE has not constituted a standard disposal committee. GSU is still relying on Ministry of Works (MOW) to handle their valuation of equipment and vehicles for disposal. Several obsolete equipment and stores are lying in GP stores since 1999. There is no work plan for the disposal of obsolete and excess equipment and stores.

Recommendation: The PE should constitute a disposal committee and carry out disposal proceedings in accordance with the Act and regulations.

Response:

4 SPECIFIC FINDINGS

4.1 Procurements with major deviations

4.1.1 Summary of procurements with incomplete information

DEPT	MTC/ONT NO	METHOD	AMOUNT	SUPPLIERS	COMMENTS
OP	OOP/08/07-08	RFQ	Various prices	Various Suppliers	Vague amount and suppliers
POLICE	36/2007-08	DP		Pakistan Ordin.	Vague amount
POLICE	35/2007-08	DP		Timsales Ltd	Vague amount
POLICE	21/2007-08	ONT	N/A	Different Suppliers	Vague amount and suppliers
POLICE	35/2007-08	ONT	97.8 & 89.7	R.H Devani	Vague amount
POLICE	29/2007-08	ONT	94 & 86	R. H. Devani	Vague amount
POLICE	21/2007-08	ONT	89.3, 78.9	R. H. Devani	Vague amount
POLICE	33/2007-08	ONT	128.70 & 47.75	Pisu & Co. Ltd.	Vague amount
POLICE	39/2007-08	ONT	100.50 & 95	R. H. Devani	Vague amount
GSU	GSU/Q/4/07-08	ONT	4,500.00	Develronic Com.	Vague amount
GP	GP/09/2008-08	RFQ	3,300.00	Lakewood Furn.	Vague amount
GP	GP/93/2007-08	RFQ	2,900.00	Sikkap Gen.	Vague amount
GP	GP/93/2007-08	RFQ	2,900.00	Sikkap Gen.	Vague amount
GSU	GSU/TPT/25/07-08	RFQ	2,900.00	Sweet Sweat Gen.	Vague amount
GSU	GSU/TPT/81/07-08	RFQ	663.50	C.M.C Motor	Vague amount
GSU	GSU/TPT/124/07-08	RFQ	481.25	Munach General	Vague amount
ADMPOLICE	26/2007-08	ONT	180.00	Kiwaka & Jojen	Vague amount
POLICE	31/2007-08	RT	92.80	Teq Systems	Vague amount
POLICE	31/2007-08	RT		Teq Systems	Vague

			92.80		amount
OP	OOP/07/2007-08	RFQ	0		Incomplete information
OP	OOP/09/2007-08	RFQ	0		Incomplete information
OP	OOP/14/2007-08	RFQ	0		Incomplete information
OP	OOP/16/2007-08	RFQ	0		Incomplete information
OP	OOP/036/2007-08	RFQ	0		Incomplete information
OP	OOP/41/2007-08	RFQ	0		Incomplete information
OP	OOP/42/2007-08	RFQ	0		Incomplete information
OP	OOP/44/2007-08	RFQ	0		Incomplete information
OP	OOP/48/2007-08	RFQ	0		Incomplete information
OP	OOP/52/2007-08	RFQ	0		Incomplete information
OP	OOP/55/2007-08	RFQ	0		Incomplete information
OP	OOP/57/2007-08	RFQ	0		Incomplete information
OP	OOP/030/2007-08	RFQ		General Motors	Vague amount
GP	GP/10/07-08	ONT		Ageemuc Ent.	Vague amount
GP	GP/11/07-08	ONT		Lixnet Tech.	Vague amount
GP	GP/6/07-08	ONT		Ombi Rubber	Vague amount
POLICE	”	ONT		Tudor Swift	Vague amount
GP	GP/11/07-08	ONT		Update Ventures	Vague amount
GP	GP/2/07-08	ONT		Various Firms	Vague amount
GP	GP/5/07-08	ONT		Various Firms	Vague amount
GP	GP/1/07-08	ONT		Various Firms	Vague amount
GP	GP/7/07-08	ONT		Various Firms	Vague amount
GP	GP/8/07-08	ONT		Various Firms	Vague amount
ADMPOLICE	36/2007-08	ONT			Incomplete information

OP	OOP/001/2007-08	ONT			Incomplete information
OP	OOP/002/2007-08	ONT			Incomplete information
OP	OOP/003/2007-08	ONT			Incomplete information
OP	OOP/004/2007-08	ONT			Incomplete information
OP	OOP/005/2007-08	ONT			Incomplete information
OP	OOP/006/2007-08	ONT			Incomplete information
OP	OOP/007/2007-08	ONT			Incomplete information
OP	OOP/008/2007-08	ONT			Incomplete information
OP	OOP/009/2007-08	ONT			Incomplete information
OP	OOP/0011/2007-08	ONT			Incomplete information
OP	PREQ 1/2007-08	ONT			Incomplete information
OP	PREQ 2/2007-08	ONT			Incomplete information
OP	PREQ 3/2007-08	ONT			Incomplete information
OP	OOP/061/2007-08	RFQ			Incomplete information
OP	PREQ 4 / 2007 – 08	RFQ			Incomplete information
OP	PREQ 5/2007-08	RFQ			Incomplete information
OP	PREQ 6/2007-08	RFQ			Incomplete information

4.1.2 Contract awards over Ksh 5 million not reported to PPOA

POLICE	29/2007-08	DP	443,745,886.00	Cessna Aircraft Co. &
POLICE	19/2007-08	DP	406,115,968.00	Timsales Ltd
POLICE	25/2007-08	DP	242,333,055.00	Different Suppliers
POLICE	20/2007-08	TERMINATED	137,500,000.00	Pisu & Co. Ltd.
POLICE	28/2007-08	TERMINATED	137,500,000.00	Pisu & Co. Ltd.
ADMPOLICE	NBI/DOI/36/07-08	ONT	112,867,536.00	Eldo-Rosta Const.
POLICE	35/2007-08	DP	97,580,000.00	Pakistan Ordinance
POLICE	34/2007-08	DP	91,376,092.00	Timsales Ltd

POLICE	38/2007-08	DP	88,330,223.00	Timsales Ltd
POLICE	25/2007-08	DP	76,146,744.00	Timsales Ltd
GP	GP/7/07-08	ONT	65,000,000.00	Various Firms
GP	GP/2/07-08	ONT	45,000,000.00	Various Firms
POLICE	Q(2)07-08 ONT	ONT	31,465,000.00	Pisu & Co. Ltd
ADMPOLICE	22/2007-08	DP	30,000,000.00	Car Expert Ltd
POLICE	20/2007-08	DP	27,782,420.00	ISPRA Israel Co. Ltd
POLICE	Q(2)07-08 ONT	ONT	24,505,000.00	Nirav Agencies
ADMPOLICE	APTC/1/2007-2008	ONT	20,301,300.00	Jojen Butchery
ADMPOLICE	APTC/1/2007-08	ONT	19,987,200.00	Kiwaka
ADMPOLICE	APHQS/104/07-08	RT	19,940,000.00	Nirav Agencies Ltd
ADMPOLICE	PUBLIC WORKS	RT	19,881,124.00	Kiu Construction
ADMPOLICE	39/2007-08	ONT	19,778,928.00	Ekalaka Construction
ADMPOLICE	39/2007-2008	ONT	19,568,852.00	Multi Construction C
ADMPOLICE	APHQS/121/07-08	RT	19,300,000.00	E. African Metal
OP	Price Variation	DP	18,500,000.00	Mashariki Motors
OP	OOP/049/2007-08	RFQ	16,684,700.00	Different Suppliers
ADMPOLICE	APTC/103/2007-08	RT	16,588,000.00	Unique Suppliers Ltd
OP	OOP/49/2007-08	RFQ	16,422,700.00	Various Suppliers
POLICE	22/2007-08	DP	15,800,964.00	General Motor E.A
POLICE	39/2007-08	RT	14,176,000.00	Kenya Tents Ltd
ADMPOLICE	19/2007-2008	DP	14,112,500.00	PISU & CO
POLICE	Q(3)07-08 ONT	ONT	13,062,500.00	R. H. Devani
POLICE	Q(3)07-08 ONT	ONT	13,000,000.00	Pisu & co.ltd
POLICE	Q(2)07-08 ONT	ONT	13,000,000.00	Kolomatics Enterp
POLICE	Q(5)07-08 ONT	ONT	13,000,000.00	Purma Holdings
POLICE	RFQ	RFQ	13,000,000.00	Site Hardware
POLICE	RFQ	RFQ	13,000,000.00	Uganda Electricals
ADMPOLICE	19/2007-2008	DP	11,977,500.00	MASPA ENT.
POLICE		ONT	11,774,400.00	ACCESS (K) LTD

ADM POLICE	19/2007-2008	DP	10,875,000.00	MASPA ENT.
POLICE	Q(6)07-08 ONT	ONT	10,788,000.00	Pisu & Co.
GP	GP/8/07-08	ONT	10,534,000.00	Various Firms
ADM POLICE	APHQS/80/07-2008	RFQ	10,316,710.00	ODDS AND ENDS
ADM POLICE	APTC/121/07-2008	RT	9,894,000.00	E. African Metal
GSU		ONT	9,760,000.00	Jambo Biscuit[K] Ltd
POLICE	30/2007-08	ONT	9,487,000.00	Markways Enterprise
POLICE	Q(5)07-08 ONT	ONT	9,450,000.00	Sub-sahara supplies
POLICE	34/2007-08	RT	9,339,972.00	Magnifica Ltd
POLICE		ONT	8,982,660.00	NEW EDGE COMM
POLICE	397116	ONT	8,060,000.00	Kenya Shell
GSU	GSU/Q/3/07-08	ONT	7,800,000.00	ROCHMAN
GSU	GSU/Q/6/07-08	ONT	7,656,000.00	FORCES EQUIP
GP	GP/14/07-08	RT	7,620,000.00	Mcknight Print
GSU	GSU/Q/3/07-08	ONT	7,500,000.00	ROCHMAN
POLICE	40/2007-08	RT	6,909,099.60	Peff Agencies
POLICE	Q(2)07-08 ONT	ONT	6,736,500.00	Izmir enterprises
POLICE	20 PCS	ONT	6,733,320.00	NEW EDGE COMM
POLICE	Q(2)07-08 ONT	ONT	6,496,000.00	Forces equipment
ADM POLICE	APTC/1/2007-08	ONT	6,381,000.00	Premier Food Industr
POLICE	20/2007-08	DP	6,370,000.00	ISPRA Israel Co. Ltd
POLICE	397064	ONT	6,200,000.00	Kenya Shell
POLICE	Q(2)07-08 ONT	ONT	6,200,000.00	Teq System
POLICE	23/2007-08	DP	6,142,189.00	Africair Inc.
GSU	GSU/Q/81/07-08	RFQ	5,742,500.00	NEW EDGE
POLICE	RFQ	RFQ	5,721,893.00	C.B. Designs
POLICE	Q(5)07-08 ONT	ONT	5,700,000.00	Purma Holdings
POLICE	Q(5)07-08 ONT	ONT	5,670,000.00	Subsahara supplies 1
POLICE	Q(2)07-08 ONT	ONT	5,600,000.00	Izmir enterprises
POLICE	Q(3)07-08 ONT	ONT	5,600,000.00	Purma holdings
POLICE	Q(4)07-08 ONT	ONT	5,600,000.00	Manchester Outfitters
POLICE	RFQ	RFQ	5,600,000.00	Site Hardw

POLICE	RFQ	RFQ	5,600,000.00	Bviolet Investment
POLICE	Q(2)07-08 ONT	ONT	5,568,000.00	Forces Equipment
GSU	GSU/Q/5/07-08	ONT	5,564,800.00	FORCES EQUIP.
POLICE	397065	ONT	5,550,000.00	Kenya Shell
POLICE	Q(2)07-08 ONT	ONT	5,508,000.00	Forces equipment
POLICE	Q(5)07-08 ONT	ONT	5,400,000.00	Purma Holdings
POLICE	Q(2)07-08 ONT	ONT	5,400,000.00	Purma Holding
POLICE	Q(10)07-08	ONT	5,315,200.00	East African metal
POLICE		DP	5,187,110.96	Standard Ltd
POLICE	35/2007-08	RT	5,072,050.00	Different Suppliers
GP	GP/13/07-08	RT	5,000,000.00	Paperworld Printing

4.1.3 Direct procurements awards over Ksh 500,000 not reported to PPOA

POLICE	29/2007-08	DP	443,745,886.00	Cessna Aircraft Co. &
POLICE	19/2007-08	DP	406,115,968.00	Timsales Ltd
POLICE	25/2007-08	DP	242,333,055.00	Different Suppliers
POLICE	20/2007-08	DP	137,500,000.00	Pisu & Co. Ltd.
POLICE	28/2007-08	DP	137,500,000.00	Pisu & Co. Ltd.
POLICE	35/2007-08	DP	97,580,000.00	Pakistan Ordinance
POLICE	34/2007-08	DP	91,376,092.00	Timsales Ltd
POLICE	38/2007-08	DP	88,330,223.00	Timsales Ltd
POLICE	25/2007-08	DP	76,146,744.00	Timsales Ltd
ADMPOLICE	22/2007-08	DP	30,000,000.00	Car Expert Ltd
POLICE	20/2007-08	DP	27,782,420.00	ISPRA Israel Co. Ltd
ADMPOLICE	19/2007-08	DP	23,552,500.00	Different Suppliers
ADMPOLICE	19/2007-08	DP	22,132,500.00	Different Suppliers
OP	Price Variation	DP	18,500,000.00	Mashariki Motors
POLICE	22/2007-08	DP	15,800,964.00	General Motor E.A.
POLICE	23/2007-08	DP	6,142,189.00	Africair Inc.
POLICE		DP	5,187,110.96	Standard Ltd
POLICE		DP	3,449,944.00	Nation Media Group

POLICE	SB/P/4/43/VOL.XXVIII/ 284	DP	2,784,000.00	Copy cat ltd
POLICE	21/2007-08	DP	2650589.94	Africair Inc.
POLICE	28/2007-08	DP	2,420,129.00	KWS (Airwing)
POLICE	640706	DP	2,044,010.44	KWS
POLICE	Public works(supplies branch)	DP	1,602,499.00	SUPPLIES BRANCH
POLICE		DP	1,456,485.00	SUPPLIES BRANCH
ADMPOLI CE	19/2007-08	DP	1,276,000.00	Newedge Communication
GSU		DP	1,080,000.00	New KCC
GSU		DP	1,080,000.00	New KCC
GSU	GOVERNMENT .	DP	1,000,000.00	KBS
GSU		DP	864,000.00	New KCC
POLICE		DP	812,000.00	Nation Media Group
POLICE	25/2007-08	DP	725,750.00	KWS
GSU	DP	DP	719,200.00	COPY CAT
POLICE	397071	DP	575,000.00	KWS
GSU	DP	DP	552,853.00	D.T. Dobie

4.1.4 Lack of reports to PPOA on terminated procurement proceedings (Act Section 36.7)

Tender/Quotation	Method	Goods Services
OOP/07/07-08	RFQ	Fumigation
OOP/09/07-08	RFQ	Motor Vehicle
OOP/014/07-08	RFQ	Accommodation
OOP/016/07-08	RFQ	Notice board
OOP/042/07-208	RFQ	Refurbishment
OOP/043/07-08	RFQ	T-Shirts
OOP/045/07-08	RFQ	Laser Printer
OOP/047/07-08	RFQ	National Flag
OOP/052/07-08	RFQ	Vehicle Repair
OOP/055/07-08	RFQ	Suits
OOP/057/07-08	RFQ	Office Repairs
OOP/061/07-08	RFQ	T-Shirts
20/2007-08	ONT	137,500,000.00
28/2007-08	ONT	137,500,000.00

4.1.5 Awards of tenders over Ksh 50,000,000.00 without external observers

29/2007-08	DP	GOODS	443,745,886.00	Cessna Aircraft Co. &
19/2007-08	DP	WORKS	406,115,968.00	Timsales Ltd
25/2007-08	DP	GOODS	242,333,055.00	Different Suppliers

20/2007-08	TERMIN	GOODS	137,500,000.00	Pisu & Co. Ltd.
28/2007-08	TERMINA	GOODS	137,500,000.00	Pisu & Co. Ltd.
NBI/DOI/36/07-08	ONT	WORKS	112,867,536.00	Eldo-Rosta Const.
35/2007-08	DP	GOODS	97,580,000.00	Pakistan Ordinance
34/2007-08	DP	WORKS	91,376,092.00	Timsales Ltd
38/2007-08	DP	WORKS	88,330,223.00	Timsales Ltd
25/2007-08	DP	GOODS	76,146,744.00	Timsales Ltd
GP/7/07-08	ONT	GOODS	65,000,000.00	Various Firms

4.1.6 Contract awarded to Timsales Ltd (Ksh 406,115,968.00)

The procurement preparation, solicitation, evaluation and approval process was undertaken over an inappropriately short timescale during which fundamental aspects of the law, regulations and procurement best practices were ignored.

The following aspects of the contract were found unsatisfactory and deficient:

- The procurement was not included in any procurement plan;
- There is no purchase requisition signed by the Accounting Officer for the requirements;
- The choice of the procurement method was determined by the user without consultation with Procurement Unit;
- There was no technical and functional scope of work defined by PE that would have set out the architectural drawings, engineering designs including cost planning and expected outputs. The general scope of work does not mention the person who prepared the document;
- Environmental impact assessment was not undertaken;
- There were no preparation of working drawings, specifications and tender documentations;
- There is no indication of approval of site establishment layout and organization;
- There were no systems and procedures (such as site meetings/inspections) in place to carry out periodic supervision of construction and contract administration to completion and hand-over; (Reg.8 (t));
- Inadequate procedures of conducting progress site meetings and inspections including provision of interim reports together with cash flow projections and other reports as shall be desired by the employer; Ensuring that adequate supply of materials commensurate with the financing are available throughout the contract and appraising the client of any discrepancies noted;
- Carrying out final inspection and issuing of the certificate of completion by inspection and acceptance committee (Reg.17 (4) (e) was not done;
- The PE did not consider adequate evaluation to ensure that the contract value for money. Simple calculation of the cost of KP/001 came to Ksh 21,564.00 per sq meter. (Ksh 3,006,035/Area (19' x8'x1.2=139.4 sq m);
- The PE selection of direct procurement process was poorly judged, and it is highly questionable whether the Ministry complied with PPDA and regulations around negotiation with bidder;
- There was no justification as to the choice of contractor since it is not the only manufacturer of prefabricated houses in the country;
- There was no justification that other available methods of procurement were impractical. There are other suppliers with ability supply similar fabricated houses. These are pre-fabricated houses for which quotations can be obtained in 7 days or less ,with good specifications which MOW could have provided;
- The choice of the procurement method was determined by the user without consultation with Procurement Unit;
- The bid documents sent to the contractor were not made available to the review team;

- Method of solicitation and issue of bid document was not provided;
- Evaluation team of the bid document was not made available;
- What criteria was used to determine the responsiveness;
- What was the criteria for the financial evaluation;
- There was no submission of evaluation documents to the Tender committee;
- The PE did not use standard tender documents for procurement of works (buildings and associated civil engineering works) as provided by regulations Third Schedule. The contract document did not incorporate the fundamental issues raised by the Solicitor General, which recommended the use of the FIDIC format. The contract does not explicitly define the procuring entity that is contracting with another party. *The Government of Kenya, acting through the Office of President, Kenya Police Department* does not mean much in contractual arrangement;
- The contractor was requested to proceed with required action on strength of LPO D820536 of 22 January before the reply of Solicitor General's letter dated 31 January 2008. It is noted that the use of LPO which the wrier described as binding disputed by the Solicitor General;
- There was lack of justification of down payment of 50%, which is under normal practices, should be mobilization payments to facilitate the contractor move into the site. The 50% down payment schedule was very unusual as the normal practice should be (10-15% max.) and should not cover the cost of materials;
- The guarantee validity should have been pegged to its recovery not on time limit i.e.6 months as stipulated in the agreement;
- Defects liability period of four months was found to be unusual as the standard industry practice is 6 months with some going to one year for big contracts;
- There was no termination clause by the employer in the contract;
- There was no Project Manager appointed by PE as required for such a Contract;
- There was no verification of the guarantee and Performance Bond issued on behalf of contractor;
- There was no completion certificate issued by the Inspection and Acceptance Committee as required by the regulations;
- The contracts document relating to this procurement does not have a single and comprehensive file.

4.1.7 LPO 02222274 TO ISPRA ISRAEL of total value \$398,600.00

- Lack of comprehensive procurement records (Section 45 (1)(6));
- Procurement not linked to any consolidated procurement plan (Section 26 (3)(a) and 26 (6) Regulation);
- There are no complete and comprehensive individual file for this activity (Regulation 34 (3));
- There is no official purchase requisition raised by the user department (Regulation 22 (1));
- No technical and functional specifications and terms of reference provided by user. This has resulted in the use of the specifications of the supplier which could restrict competition;

- The review team was not provided with the bidding document and therefore is unable to confirm whether it conforms with supplier's quotation; (Act Section 101);
- The method of procurement was determined by the user department instead of the Procurement Unit; (Act Section 29);
- The justification of choice of direct method was that the Police "*tender no CFA (2) 2007-2008 for supply and delivery of arms and ammunitions is yet to be evaluated*". There is no reason given why the department did not expedite the evaluation process of the competitive bidding that was already in advance stage;
- No justification for direct procurement is recorded by the MTC except quoting the section of the Act and the user narration; (Act Section 74);
- Notification of award is given by non-procurement personnel (8 (1)(j));
- Contract Agreement does not conform to the standard agreement form recommended by PPOA (Section 29 (4) Regulation 33); Without the bidding documents being used it is not possible for the team to review the special conditions of the buyer to determine the level of exposure of the PE to the bidder;
- The contract document was not referred to the Solicitor General;
- There is no evidence that the Procurement Unit verified the Contract agreement before it is signed by the Accounting Officer; (Reg. 8 (3) (k))
- There is no clause that the goods will have to be checked and verified by the Inspection and acceptance committee who will issue the certificate before the supplier presents invoices to their bankers for liquidation; (Reg. 17);
- There is no certificate issued by the Inspection and acceptance committee; and acceptance committee (Reg. 17 (4) (e)); and
- The issue and receipt voucher no 57912 used to receive the goods indicate wrong LPO no 222275.

4.1.8 LPO 0659175 and 0659049 PAKISTAN ORDINANCE FACTORIES FOR \$ 1,680,000.00.

- LPO 0659175 is raised without confirmation of funding availability (Reg. 10 (d));
- It is not understood why the requirement was split into two orders (Act Section 30 (1));
- Lack of comprehensive procurement records (Section 45 (1)(6));
- Procurement not linked to any approved procurement plan (Section 26 (3)(a) and 26 (6) Regulation);
- There are no complete and comprehensive individual file (Regulation 34 (3));
- There is no official purchase requisition raised by the user department (Regulation 22 (1));
- No technical specifications and terms of reference provided (Act Section 34). This has resulted in the use of the specifications of the supplier as previously supplied to Kenya Forest Service, which could restrict competition. There is no evidence that the police requirement is similar to the one of the Kenya Forest Service;
- The review team was not provided with the solicitation document and therefore is unable to confirm whether it conforms with the bidding documents; (Act Section 101)
- The method of procurement was determined by the user department instead of the Procurement Unit; (Act Section 29);

- No justification for direct procurement is recorded by the MTC except quoting the section of the Act and the user narration; (Act Section 74);
- Notification of award is given by non-procurement personnel (8 (1)(j));
- Contract Agreement does not conform to the standard agreement form recommended by PPOA (Section 29 (4) Regulation 33); Without the bidding documents being used it is not possible for the team to review the special conditions of the buyer to determine the level of exposure of the PE to the bidder;
- The contract document was not referred to the Solicitor General;
- There is no evidence that the Procurement Unit verified the contract agreement before it is signed by the Accounting Officer (Reg. 8(3) (k));
- There is no clause that the goods will have to be checked and verified by the Inspection and acceptance committee who will issue the certificate before the supplier presents invoices to their bankers for liquidation (Reg. 17);
- There is no certificate issued by the Inspection and acceptance committee(Regulation 17 (3)(4)); and
- The issue and receipt voucher no 57912 used to receive the goods indicate wrong LPO no 222275.

4.1.9 LPO 087937 and 0659055 NEW EDGE COMMUNICATIONS Ksh 15,716,030.00

- Lack of comprehensive procurement records (Section 45 (1)(6));
- Procurement not linked to any approved procurement plan (Section 26 (3)(a) and 26 (6) Regulation);
- There are no complete and comprehensive individual file for the procurement activity (Regulation 34 (3));
- There is no official purchase requisition raised by the user department (Regulation 22 (1));
- No technical specifications and terms of reference provided (Act Section 34 (2));
- The review team was not provided with the solicitation document and therefore is unable to confirm whether it conforms with the bidding documents; (Act Section 101)
- The team was not provided with pre-qualification of suppliers used and how the method of procurement was determined (Reg. 23 (1) and Reg. 10 (2) (h));
- No justification for the choice of procurement method is recorded by the MTC; (Act Section 74);
- There is no notification of award is given to the supplier in accordance with(8 (1)(j));
- There is no contract agreement issued for the award. Without the bidding documents being used it is not possible for the team to review the special conditions of the buyer to determine the level of exposure of the PE to the bidder; (Act Section 101);
- There is no certificate issued by the Inspection and acceptance committee (Regulation 17 (3)(4)); and
- Procurement not reported to PPOA (Act Section 46 and Circular No.3/2008 dated 26/08/08).

4.1.10 LPO 0659058 DANJIM ENTERPRISE Ksh 327,564.00

- Lack of comprehensive procurement records (Section 45 (1)(6));
- Procurement not linked to any approved procurement plan (Section 26 (3)(a) and 26 (6) Regulation);
- There are no complete and comprehensive individual file for the procurement activity (Regulation 34 (3));
- There is no official purchase requisition raised by the user department (Regulation 22 (1));
- Technical specifications provided not detailed enough to enable fair competition; (Act Section 34 (2));
- The review team was not provided with the solicitation document and therefore is unable to confirm whether it conforms with the bidding documents; (Act Section 101);
- The team was not provided with list of registered suppliers used and how the method of procurement was determined (Reg. 8 (3) (a));
- There is no evidence that the Procurement Unit verified the Contract agreement before it is signed by the Accounting Officer (Reg. 8 (3) (k));
- There is no certificate issued by the Inspection and Acceptance Committee (Regulation 17 (3)(4)).

4.1.11 LPO A643008 MFI OFFICE SOLUTION Ksh 3,631,505.00

- Lack of comprehensive procurement records (Section 45 (1)(6));
- Procurement not linked to any approved procurement plan (Section 26 (3)(a) and 26 (6) Regulation);
- There are no complete and comprehensive individual file for the procurement activity (Regulation 34 (3));
- There is no official purchase requisition raised by the user department (Regulation 22 (1));
- No technical specifications and terms of reference provided (Act Section 34 (2));
- The review team was not provided with the solicitation document and therefore is unable to confirm whether it conforms with the bidding documents; (Act Section 101);
- The team was not provided with pre-qualification of suppliers used and how the method of procurement was determined (Reg. 23 (1) and Reg. 10 (2) (h));
- No justification for the choice of procurement method is recorded by the MTC; (Reg. 9 (h));
- There is no notification of award is given to the supplier in accordance with (8 (1)(j));
- There is no contract agreement issued for the award (Reg. 8 (3) (k). Without the bidding documents being used it is not possible for the team to review the special conditions of the buyer to determine the level of exposure of the PE to the bidder; and
- There is no certificate issued by the Inspection and acceptance committee (Regulation 17 (3) (4)).

4.1.12 LPO 0660251 EAST AFRICAN METAL WORKS Ksh 7,720,000.00

- The total awarded by MTC is Ksh 29,194,000.00 which is above the threshold allowed by the First Schedule and Section 73 (2)(b) of the Act;
- Lack of comprehensive procurement records (Section 45 (1)(6));
- Procurement not linked to any approved procurement plan (Section 26 (3)(a));

- There are no complete and comprehensive individual file for this transaction (Regulation 34 (3));
- There is no official purchase requisition raised by the user department (Regulation 22 (1))
- No specifications and terms of reference provided. This has resulted in the use of the specifications of the suppliers' brand name which could restrict competition; (Act Section 34 (2));
- The review team was not provided with the bidding document and therefore is unable to confirm whether it conforms with supplier's quotation; (Act Section 101);
- The method of procurement was determined by the user department instead of the Procurement Unit; (Act Section 29);
- No justification for direct procurement is recorded by the MTC except quoting the section of the Act and the user narration; (Act Section 74);
- Notification of award is given by non-procurement personnel (8 (1)(j));
- Contract Agreement does not conform to the standard agreement form recommended by PPOA (Section 29 (4) Regulation 33); Without the bidding documents being used it is not possible for the team to review the special conditions of the buyer to determine the level of exposure of the PE to the bidder;
- The contract document was not referred to the Solicitor General;
- There is no evidence that the Procurement Unit verified the contract agreement before it is signed by the Accounting Officer;(Reg. 8 (3) (k));
- There is no clause that the goods will have to be checked and verified by the Inspection and acceptance committee who will issue the certificate before the supplier presents invoices to their bankers for liquidation; (Reg. 17); and
- There is no certificate issued by the Inspection and acceptance committee. (Reg.17 (4) (e)).

4.1.13 MTC/19/2007-2008 VARIOUS SUPPLIERS TOTAL AMOUNT Ksh 74,242,500.00

- Lack of comprehensive procurement records (Section 45 (1)(6));
- Procurement not linked to any approved procurement plan (Section 26 (3)(a) and 26 (6) Regulation);
- There are no complete and comprehensive individual file for this transaction (Regulation 34 (3));
- There is no official purchase requisition raised by the user department (Regulation 22 (1));
- No specifications and terms of reference provided. This has resulted in the use of the specifications of the suppliers' brand name which could restrict competition; (Act Section 34);
- The review team was not provided with the bidding document and therefore is unable to confirm whether it conforms with supplier's quotation; (Act Section 101);
- The method of procurement was determined by the user department instead of the Procurement Unit;(Act Section 29 (1));
- No justification for direct procurement is recorded by the MTC except quoting the section of the Act and the user narration (Act Section 74 and Reg.10 (2) (h));
- Notification of award is given by non-procurement personnel (8 (1)(j));

- Contract Agreement does not conform to the standard agreement form recommended by PPOA (Section 29 (4) Regulation 33); Without the bidding documents being used it is not possible for the team to review the special conditions of the buyer to determine the level of exposure of the PE to the bidder;
- The contract document was not referred to the Solicitor General;
- There is no evidence that the Procurement Unit verified the Contract agreement before it is signed by the Accounting Officer; (Reg.8 (3) (k))
- There is no clause that the goods will have to be checked and verified by the Inspection and acceptance committee who will issue the certificate before the supplier presents invoices to their bankers for liquidation; (Reg. 17)
- There is no certificate issued by the Inspection and acceptance committee (Reg.17 (4) (e));and
- The orders to Pisu & Co was amounting to Ksh 16,612,500.00 was not reported to PPOA.

4.2 Procurements with moderate deviations

4.2.1 LPO 0659060 TRAM TRADING Ksh 29,070.00

- This should have been considered under low value procurement method (Section 90 (2) of Act) Regulation 63 (1);
- Lack of comprehensive procurement records (Section 45 (1)(6));
- Procurement not linked to any approved procurement plan (Section26 (3)(a) and 26 (6) Regulation 20 (2));
- There are no complete and comprehensive individual file for the procurement activity (Regulation 34 (3));
- There is no official purchase requisition raised by the user department (Regulation 22 (1));
- The team was not provided with list of registered suppliers used and how the method of procurement was determined ; (Reg. 8 (3) (a) and
- There is no certificate issued by the Inspection and acceptance committee (Regulation 17 (3) (4)).

4.2.2 LPO 643005 OFSPEED SERVICES Ksh 31,088.00

- Lack of comprehensive procurement records (Section 45 (1)(6));
- Procurement not linked to any approved procurement plan (Section26 (3)(a) and 26 (6) Regulation 20 (2));
- There are no complete and comprehensive individual file for the procurement activity (Regulation 34 (3));
- There is no official purchase requisition raised by the user department (Regulation 22 (1));
- The team was not provided with list of registered suppliers used and how the method of procurement was determined ; (Reg. 8 (3) (a) and
- There is no certificate issued by the Inspection and acceptance committee (Regulation 17 (3) (4)).

4.2.3 LPO 087931 COPYCAT LTD Ksh 2,784,000.00

- The order raised based on long term arrangement with Copy Cat dated 19 January 2006;
- Lack of comprehensive procurement records (Section 45 (1)(6));

- Procurement not linked to any approved procurement plan (Section 26 (3)(a) and 26 (6) Regulation 20 (2));
- There are no complete and comprehensive individual file for the procurement activity (Regulation 34 (3));
- There is no official purchase requisition raised by the user department (Regulation 22 (1));
- The team was not provided with list of registered suppliers used and how the method of procurement was determined ; (Reg. 8 (3) (a) and
- There is no certificate issued by the Inspection and acceptance committee (Regulation 17 (3) (4)).

4.2.4 RFQ OP/049/2007 – 2008 Supply of furniture – Kshs16, 422,700.00

- Request for quotation (RFQ) procurement method used instead of Open National Tender. This is not in compliance with the maximum amount allowed for procurement using this method as specified in the threshold matrix;
- No official purchase requisition raised by the user department (Reg.22 (i));
- Procurement not reported to PPOA (Act Section 46 and PPOA Circular 3/2008 dated 26/8/08);
- Lack of complete and comprehensive procurement records (Act Section 45 (1)(6)
- Procurement not linked to any approved procurement plan (Act Section 26 (3) (6) and
- There was not certificate issued by the inspection and acceptance committee availed to the review team (Reg. 17 (4) (e)).

4.2.5 GP/08/2007 – 2008 (R.T Kshs.10.5M, Supply and Delivery of Printing Consumable Materials

- Procurement not linked to any approved procurement plan (Act Section 26 (3) (a) and 26 (6)
- There was no official purchase requisition raised by the user department (Reg. 22 (1)
- Lack of complete and comprehensive procurement records (Act Section 45 (1) (6)
- There was no certificate issued by the Inspection and Acceptance Committee availed to the review team (Reg. 17 (4) (e)
- Procurement not reported to PPOA (Reg. (62 (3) and
- Some of the specifications on the bid document are not neutral to give equal opportunity to willing suppliers. The information specified the machines e.g. Ryobi Miller, Timsons, Champion e.t.c instead of just the sizes, the weight and the quality of blankets (Act Section 34).

4.2.6 GP/7/2007-2008 SUPPLY AND DELIVERY OF LOCALLY MANUFACTURED PAPER – Ksh.65, 000,000.00

- No procurement file availed to the review team (Act Sect. 45 (1) (6));
- Lack of official purchase requisition raised by the user department (Reg. 22 (1);

- Lack of proper specification of the number of sheets of paper in a ream (Act Section 34) which may lead to under supply of papers in any packing of papers. A standard ream should contain 500 sheets of paper whatever the sizes;
- 13 types of papers were advertised for bidding on the above tender without specifying the number of sheets of paper in each ream to be supplied.

4.2.7 LPO A653877 NATION MEDIA GROUP Ksh 3,449,944.00

- This is one of the orders made on the direct procurement method without clear justification;
- Lack of comprehensive procurement records (Section 45 (1)(6));
- Procurement not linked to any approved procurement plan (Section 26 (3)(a) and 26 (6) Regulation 20 (2));
- There are no complete and comprehensive individual file for the procurement activity (Regulation 34 (3));
- There is no official purchase requisition raised by the user department (Regulation 22 (1));
- The team was not provided with list of registered suppliers used (Reg 8 (3) (a)) and
- There is no certificate issued by the Inspection and acceptance committee (Regulation 17 (3) (4)).

4.2.8 LPO A653878 STANDARD GROUP Ksh 5,187,110.96

- This is one of the orders made on the direct procurement method without clear justification. (Act Section 74)
- Lack of comprehensive procurement records (Section 45 (1)(6));
- Procurement not linked to any approved procurement plan (Section 26 (3)(a) and 26 (6) Regulation 20 (2));
- There are no complete and comprehensive individual file for the procurement activity (Regulation 34 (3));
- There is no official purchase requisition raised by the user department (Regulation 22 (1))
- The team was not provided with list of registered suppliers used (Reg 8 (3) (a) and how the method of procurement was determined (Act Section 29);
- There is no certificate issued by the Inspection and acceptance committee (Regulation 17 (3)(4));
- The procurement was not reported to PPOA required by the Act Section 46 and circular No.3/2008 dated 26/08/08.

4.2.9 OOP/013/2007-2008 - Mounting and Fabrication Services Kshs.3, 750,000.(RT)

- Lack of complete & comprehensive procurement records (The Act Section 45 (1) (6));
- There was no official purchase requisition raised by the user department (Reg. 22);
- Procurement not linked to any approved procurement plan (The Act Section 26. 3(a) and 26.6);
- Inspection and Acceptance Certificate not availed to the review team (Reg. 17 (4) (e)).

4.2.10 OOP/012/2007-2008 – Executive Construction of Office Ksh 4, 630,952.00

- Lack of complete and comprehensive procurement records (The Act Section 45 (1) (6)). Without records the review team could not ascertain the compliance status of the process.

4.2.11 OOP/11/2007-2008 Installation of Ceiling Ksh 3,195,075.00 – (Restricted Tender)

- Lack of comprehensive and complete records (The Act Section 45 (1) (6));
- Procurement not linked to any approved procurement plan (Act Section 26.3 (a) and 26.6);
- There was no official purchase requisition raised by the user department (Regulation 22);
- There was no contract and/or LSO made available for review .(Act Section 101);
- There was no inspection and acceptance certificate availed to the review team(Reg. 17 (4) (e)).

4.2.12 Tender No. 014/2007-2008 – Power Distribution System – Replacement Ksh 4, 063,672.00 (Restricted Tender)

- Lack of complete and comprehensive procurement records (Act Section 45 (1) (6));
- There was no official purchase requisition raised by the user department (Reg. 22);
- There was no inspection and acceptance certificate availed to the review team. (Reg. 17 (4) (e)).

4.2.13 Tender OOP/Authority for Price Variation BMK Motor Bikes Ksh.18, 500,000 (Direct Procurement)

- No procurement file availed (Act Section 101);
- Procurement not reported to PPOA (Reg. 62 (3));
- Lack of comprehensive and complete procurement records (Acts Section 45 (1) (6));
- Procurement not linked to any approved procurement plan (The Act Section 26.3(a) and 26 (6));
- There was no official purchase requisition raised by the user department (Regulation 22);
- No contract / LPO availed to the review team. (Act Section 101); and
- No inspection and acceptance certificate availed to the review team Reg. 17 (4) (e).

4.2.14 GP/12/2007-2008 – 56 GSM-NCR Paper Ksh.11, 000,000.00 (Restricted Tender)

- Procurement not reported to PPOA (Reg. 62 (3));
- Lack of complete and comprehensive procurement records (Act Section 45 (1) (6));

- Procurement not linked to any approved procurement plan (Act Section 26 (3) (a) and 26 (6));
- There was no official purchase requisition raised by the user department (Reg.22);
- No LPO made available for review/examination (Act Section 101); and
- No inspection and acceptance certificate availed to the review team (Reg. 17 (3)).

4.2.15 Tender No GP/13/2007-2008 GSM Printing Papers Kshs.5, 000,000 (Restricted Tender)

- Procurement not reported to PPOA (Act Section 46 and Circular No. 3/2008 dated 26/08/08);
- Lack of complete and comprehensive procurement records (Act Section 45 (1) (6));
- Procurement not linked to any approved procurement plan (Act Section 26 (3) (a) and 26 (6));
- No official purchase requisition raised by the user department (Reg. 22); and
- No inspection and acceptance certificate availed to the review team (Reg. 17 (3)).

4.2.16 GP/14/2007-2008 – Installation & Commissioning of Camera Equipment Kshs.7, 620,000.00 (Restricted Tender)

- No procurement file availed (Act Section 46 and Circular No. 3/2008 dated 26/08/08);
- Lack of complete and comprehensive procurement records (Act Section 45 (1) (6));
- Procurement not linked to any approved procurement plan (Act Section 26 (3) (a) and 26 (6));
- No official purchase requisition raised by the user department (Reg. 22); and
- No inspection and acceptance certificate availed to the review team (Reg. 17 (3)).

5 ACTION PLAN

Tasks	Lead Accountable	Timeline	PPOA/ARD Review Date
Adopt the correct citation of the Act and regulations in all correspondences relating to procurement matters.	PU	IMMEDIATE	
Develop systems and procedures to achieve at least 60% of open tendering for procurement proceedings.		THREE MONTHS	
Procurement Unit to implement record keeping and filing systems for all procurement proceedings in accordance with the <i>Procurement Records Management Procedures Manual</i> and the recommendations of the <i>Baseline of Records Management Report for OP</i> .	AO/PU	THREE MONTHS	
Institute central control register for the purchase requisitions initiated from various departments. The PU to ensure that all procurement procedures are documented to enable the procurement systems and procedures for implementation of the act and regulation to be effectively and consistently applied.	PU	ONE MONTH	
Implement the findings and recommendations of the previous review, examinations and audit reports that are related to procurement functions in all departments. This will improve compliance, performance, transparency and the integrity of the procurement systems in the ministry.	AO/PU	THREE MONTHS	
Initiate consultation with PPOA and prepare annual dual list for the Kenya Police and Administrative Police security procurement requirements.	AO/COMMISSIONER	THREE MONTHS	
All user procurement plans are prepared and forwarded to Accounting Officer	PU/USER DEPTS.	ONE MONTH	

Tasks	Lead Accountable	Timeline	PPOA/ARD Review Date
Prepare the consolidated procurement plan in accordance to the Act, regulations and directives from PPOA. PU to ensure that the consolidated plan captures additions and deletions that are initiated in the course of the year before the commencement of the procurement process for such additions.	PU	TWO MONTHS	
Prepare a summary of items that can be aggregated for procurement as single package or for procurement through framework agreement by the PU for all departments.	PU/USER DEPTS.	JUNE 2010	
The PE should undertake a centralised pre-qualification of suppliers for common user items like tents, composition items, motor vehicle spares, footwear and other requirements identified in the consolidated procurement plan in accordance with Section 31 of the Act.	PU	JUNE 2010	
Introduce the use of framework contracts for all long term arrangements.	PU	JUNE 2010	
Prepare documented systems and procedures for the implementation of the Act, regulations and directives from PPOA in respect of all procurement related functions in the Ministry.	AO/PU/USER DEPTS.	JUNE 2010	
Establish the accurate level of staff capacity and cadre in the districts.	AO/PU	TWO MONTHS	
Liaise with the Director of Public Procurement to review the staff capacity of the PE ensure that all procurement units falling under the PE's have adequate staffing that conforms to the requirements of the PPDA.	AO/DPP	THREE MONTHS	
Adopt the recommended standard tender documents recommended by PPOA and customise them adequately to the PE requirements in all departments..	PU/USER	IMMEDIATE	

Tasks	Lead Accountable	Timeline	PPOA/ARD Review Date
PU to ensure that specifications are developed in accordance with Section 34 of the Act.	PU/USERS	TWO MONTHS	
Review the specifications used in solicitation of paper by Government Press to ensure that it is objective and functional.	PU/GP	JUNE 2010	
Organise sensitisation training in the Public Procurement and Disposal Act 2005 and the related regulations for all members senior officers for departments and newly created districts.	AO/PPOA/ARD	IMMEDIATE	
Submit all reports for procurements to PPOA as required by the PPDA and associated directives.	PU	IMMEDIATE	
Invite external observers to attend MTC meetings of contracts over Ksh 50 million.	AO/PU/MTC	IMMEDIATE	
Submit quarterly procurement committee reports to MTC.	PU/MTC/PC	IMMEDIATE	
Constitute a disposal committee and prepare a comprehensive disposal plan for the whole entity.	AO/PU	IMMEDIATE	
The inspection and acceptance committee to commence inspecting and reviewing all goods, works or services in order to ensure compliance with the terms and specifications of the contract and issue goods receipt notes, interim or completion certificates or goods received notes, as appropriate and in accordance with the contract.	Chairman, Inspection and Acceptance Committee/PU	IMMEDIATE	

6 CONCLUSION

The procurement law is established to ensure that works, goods and services are obtained in an effective manner and in compliance with laws and regulations, including the prohibition of conflicts of interest, the fair selection of vendors, providing open and free competition among vendors, etc.

We started our review against the background of other comparable past reviews. We found that the Ministry has not adequately addressed recommendations of the previous reviews and/or audit reports on matters relating to procurement. We have included a follow-up phase in our recommendations to ensure that the corrective measures are carried out in order to improve compliance, efficiency, and effectiveness in procurement management in the PE both at the headquarters and in the field.

We have assessed whether the procurement-related functions comply with the Public Procurement and Disposal Act 2005, Public Procurement and Disposal Regulations 2006 and generally accepted good practices. We have identified deviations in general and specific areas of procurement stages and attached ratings to them. The systems and procedures that describe how the Ministry conducts procurement and contracting for works, goods and services are lacking. There is overwhelming evidence that the key provisions of the Act and regulations have not been adequately implemented in the Ministry. The Act requires procuring entities to promote competition and ensure that competitors are treated fairly. There are a significant number of contracts amounting to Ksh 1,609,793,196.00 awarded without full and open competition. There is an urgent need for the accounting officer to intervene and ensure that the departments should not engage in non-competitive contracts except in limited circumstances.

There is no documented evidence that the Ministry has discovered and remedied any lapses in compliance. In the selected areas, we concluded that the MOSP&IS compliance level is very low in major areas of the Act and regulations. We urge the management to demonstrate greater commitment to follow the Act in their operations. It is important for MOSP&IS to embrace the Act by preparing an organization-wide compliance program.

The office of the internal auditor needs to be strengthened to verify, examine, and determine that individual transactions comply with the Act and regulations. The auditor needs to undertake sensitization training in the public procurement law and the related regulations to enable him to perform better. The auditor should contact accounting officer for intervention in areas where his recommendations are ignored by the Procurement Unit and user departments.

The chief finance officer should ensure that settlement of bills for works, goods and services are adequately supported with interim, or completion certificates or goods received notes, as appropriate and in accordance with the contract in accordance with regulation.

The major challenge in the MOSP&IS is in the area of record keeping, data, and documentation controls and contract management. Retrieving records for review purposes was difficult and, time consuming. Some records pertaining to execution of the procurement process were incomplete, limiting the review scope. The area needs an urgent attention of the Accounting Officer, since poor record keeping compromises validity, authenticity, quality and reliability of the information coming from the entity.

It was noted that some of the documents not in operation are yet to be prescribed by PPOA. The Procurement Unit should keep in regular touch with PPOA, seek their guidance on matters of doubt, and if possible get directives from them in writing in matters arising whose areas where documents or policies are yet to be developed. Although the procurement unit is supposed to provide technical guidance, it was evident that the user departments are not willing to let go the procurement related functions despite the enactment of the Public Procurement and Disposal Act. The Accounting Officer should intervene and ensure remedial action is taken.

While PPOA are tasked with measuring and enforcing compliance, MOSP&IS needs to reduce risk and ensure that all departments implement the regulations. An effective compliance program can make the Ministry more effective and efficient in reducing the risk of internal and external threats, while at the same time providing proof of compliance demanded by PPOA across multiple compliance initiatives.

There are adverse risks from non-compliance with procurement law and regulations, which can have far reaching consequences to MOSP&IS like fraud, corruption, mis-procurement collusion and financial loss. An active compliance program enables the organization to accurately detect the violations, to take the appropriate action (even blocking the payment from being made), and to quickly find and review the violation in order to address the situation, preventing further damage or loss.

If the Ministry is unable to take remedial measures to address the serious defects identified in this report, PPOA should consider exercise of its powers under Section 105 of the Act.

7 APPENDIX

7.1 Training under MCA

Name	Organisation	Position	Course
Collins Okeno Kokeno	Police Department	Auditor III	Sensitization17
Douglas K. Kirocho	Police Department	CFA	Sensitization17
David O. Onwong'a	Police Department	Chief Procurement Officer	Sensitization17
Jane Wanyika	Police Department	Procurement Officer	Sensitization17
Japheth Kiilu Ndambuki	Police Department	Procurement Officer II	Sensitization17
Johnston Okasida Ipara	Police Department	Procurement Officer	Sensitization17
Marie Orinda	Police Department	Senior Procurement Officer	Sensitization17
Martin S. K. Wambua	Police Department	Procurement Officer II	Sensitization17
Peter Mwanzia	Police Department	Procurement Officer	Sensitization17
Thomas Ontiri	Police Department	Accountant I	Sensitization17
Absalom Munari	Kenya Police	Engineer	Sensitization18
Alexander G. Chege	Kenya Police	Accountant	Sensitization18
Evelyn Murugi	Kenya Police	C. O. II	Sensitization18
Ikumu Chimwani	Kenya Police	Procurement Officer	Sensitization18
Liz Makena Mwiti	Kenya Police	Procurement Officer	Sensitization18
Patrick K. Ndongu	Kenya Police	Procurement Assistant	Sensitization18
Peter K. Tanui	Kenya Police	Procurement Officer	Sensitization18
Preston Miriti	Kenya Police	Procurement Assistant	Sensitization18
Rose Wanyonyi	Kenya Police	Procurement Accountant	Sensitization18
Stephen M. Ngugi	Kenya Police	Store Man II	Sensitization18
Abeid Chimako	DC's Office - Mombasa	Senior Store man	RecordsManagement3
Norman Muchori	District Commissioner's Office - Kilifi	P. O. II	RecordsManagement3
Abdalla B. Mwadimu	District Commissioner's	P. A.	RecordsManagement3

	Office - Kilindini		
Anthony K. Kinoi	District Commissioner's Office - Kilindini	Senior SM	RecordsManagement3
Cyrus Maina	District Commissioner's Office - Kwale	P. O.	RecordsManagement3
Eunice N. Maluta	District Commissioner's Office - Kwale	SSTMN	RecordsManagement3
James Mungithia	DC's Office - Msambweni	P. A.	RecordsManagement3
Ibrahim M. Lalo	District Commissioner's Office Kinangu	P. O.	RecordsManagement3
Simon M. Chimera	District Commissioner's Office Kinangu	P. O. II	RecordsManagement3
Joseph Motto	District Commissioner's Office Mombasa	P. O. I	RecordsManagement3
Mwainge R. M.	District Commissioner's Office Taita	S. L. O.	RecordsManagement3
Doyo J. Hiribae	Office of the President - Kaloleni	P. O.	RecordsManagement3
Remus Ngoma	Office of the President - Kaloleni	P. A.	RecordsManagement3
Paul M. Gichuki	Office of the President - Malindi	P. O. I	RecordsManagement3
Wilson Denis Njiru	Office of the President - Taita	P. O. II	RecordsManagement3
Francis Gachukia	Office of the President - Taveta	P. A.	RecordsManagement3
Vincent Mwadime	Office of the President - Taveta	C. O. II	RecordsManagement3
Margaret Z. Mengo	Provincial Commissioner	SSK	RecordsManagement3
H. O. Ochako	Office of the President Wajir East	District Commissioner	General Manual 1
Dionisia Njiru	Office of the President	Procurement Assistant	General Manual 2
Mary Mwongera	Office of the President	SKI	General Manual 2
Rose W. Maina	Office of the	SSK	General Manual 2

	President		
Dorcas W. Muriithi	Office of the President	SCO	General Manual 2
N. W. Kyunguti	Office of the President	Procurement Officer	General Manual 2
Mmbetsa O. Beja	Provincial Administration, Embu	DO1	General Manual 2
Gladys Mwingo	Kinango	Clerical Officer II	Advanced Procurement 2
James Mungithia	DC's Office Msambweni	Procurement Assistant	Advanced Procurement 2
Remus K. Ngoma	DC's Office Kaloleni	Procurement Assistant	Advanced Procurement 2
Jessica D'Souza	PC's Office Coast	Records Management Officer	Advanced Procurement 2
Simon M. Chimera	Kinango District	Procurement Officer	Advanced Procurement 2
Margaret Z. Mengo	PC's Office - Coast	Senior Storekeeper	Advanced Procurement 2
Eunice N. Maluta	Procurement DC's Office - Kwale	Senior Storekeeper	Advanced Procurement 2
Constance W. Kisaghi	DC's Office Kilindini	Procurement Assistant	Advanced Procurement 2
Benedict Wambua	Provincial Administration, Mombasa	Procurement Officer II	Advanced Procurement 2
Maina Cyrus	Provincial Administration	District Procurement Officer	Advanced Procurement 2
R. L. Lemaletian	Provincial Administration	District Officer 1	ICT Coast
John Mtoto Kalondi	District Commissioners Office	Store man	ICT Coast
Erestinah Kalaghe	Provincial Administration-Internal Security	Clerical Officer	ICT Coast
Wilson Denis Njiru	District Commissioners Office	Procurement Officer	ICT Coast
Rehema G. Ngetsa	Provincial Administration	Accounts Clerk	General Manual 3
Beatrice K. Kahiu	Provincial Administration	Procurement Officer	General Manual 3
Norman Muchori	, Provincial Administration	Procurement Officer	General Manual 3
Gladys Mwingo	DC's Office	Clerical Officer	General Manual 3

	Kinango	II	
Andrew Njoroge	DC's Office Tana River	S. C. O.	General Manual 3
Lucas N. Malimali	DC's Office Taveta	C. O. I	General Manual 3
Francis W. Gachukia	DC's Office Taveta	P. A	General Manual 3
Hezekiah M. Mnjivu	Taveta DC	C. O. II	General Manual 3
Vincent Mwadime	Taveta District Commissioner's Office	C. O. II	General Manual 3
Felix T. Karisa	Provincial Administration	S. Sman	General Manual 3
Satima Salat	DC's Office Tana River	Compliance Officer II	General Manual 3
Paul M. Abadelo	DC's Office Tana River	C. O. II	General Manual 3
Simon M. Chimera	Kinango DC's Office	District Procurement Officer	General Manual 3
Eunice N. Maluta	DC's Office Kwale	Senior Storekeeper	General Manual 3
Tobiko Nayioma	Provincial Administration - Samia	D. O. I	General Manual 4
Givinal Ejilo	DC's Office Mumias	Procurement Officer Mumias	General Manual 4
Peter O. Ondusu	- Samia	Procurement Officer	General Manual 4
Melvin Makale	Busia	Stores	General Manual 4
Barnabas Mutua	Office of the President	ASI	Works Nairobi
Joel K. Ngolekong	GSU Headquarters	CPO	Works Nairobi
Daniel M. Memba	GSU Headquarters	SOQ	Works Nairobi
Charles M. Bururia	GSU Headquarters	P.A.	Works Nairobi
Andrew M. Nyamwamu	Office of the President	SPO	Works Nairobi
D. O. Omwonga	Police	CPO	Works Nairobi
Alexander M. Munyao	Procurement Officer II	Office of the President, Cabinet Office	Services Nairobi
Tabith Kariuki	Procurement Assistant	Cabinet Office	Services Nairobi
Patrick Njihia	General Service Unit	D.T.O	Management of Projects
Kennedy Masira	General Service	Procurement	Procurement &

	Unit	Officer	Management of Projects
Elias P. Oduori	Police Department-GSU	D/COTS	Procurement & Management of Projects
Joel K. Ngolekong	General Service Unit	Chief Procurement Officer	Procurement & Management of Projects
Paschalina N. Nzoi	GSU Headquarters	SSK	General Manual 7
Charles M. Bururia	GSU Headquarters	P.A.	General Manual 7
Kellen Karimi Ntwiga	GSU Headquarters	S.K.	General Manual 7
Samuel K. Kemoi	Provincial Admin. DC - Baringo	Senior Stores Officer	General Manual 8
Evans A. Omuya	District Procurement Officer	Office of the President - Nandi Central	Services Eldoret
Jane J Chesang	Procurement Officer	Office of the President - DC Keiyo	Services Eldoret
Moses Kilenyang	Accountant	Town Council of Chepaneri	Services Eldoret
Paul Kipsang	Procurement Officer	Office of the President - Kabarnet	Services Eldoret
Agnetta Kyai	Procurement Officer	Office of the President - Marigat DC's Office	Services Eldoret
David L. Kola	DPO	Office of the President- Kitale	Services Eldoret
Everlyne Ngaira	CO 1	D C's Office - Trans Nzoia East	Services Eldoret
Simon C. Kiprop	SSK	D C's Office - Kolbatek	Services Eldoret
David S. Wabwile	Procurement Officer	District Commissioner - Trans Nzoia West	Services Eldoret

7.2 Details of the samples reviewed

	TENDER/LPO NO	DEPT	DESCRIPTION	METHOD	AMOUNT
1	0442505	GSU		ONT	9,760,000.00
2	0317842	GSU		DP	855,500.00
3	0164582	POLICE/ QTM	TEXTILE	ONT	31,465,000.0 0
4	0164581	POLICE/ QTM	TEXTILES	ONT	24,505,000.0 0
5	0474072	POLICE/ QTM	UNIFORM	ONT	5,600,000.00
6	0474070	POLICE/ QTM	UNIFORM	ONT	6,496,000.00
7	0474058	POLICE/ QTM	UNIFORMS	ONT	6,736,500.00
8	0164487	POLICE/ QTM	UNI HUTS	ONT	5,315,200.00
9	0647544	GSU		DP	6,400,000.00
10	0623058	POLICE/ QTM	BEDS	ONT	13,062,500.0 0
11	0222256	POLICE/ CFA	RIOT BALLS	DP	11,500,000.0 0
12	0222259	POLICE/ CFA	RIOT GEAR	ONT	5,118,024.00
13	0435367	GSU		DP	6,400,000.00
14	0647948	GSU		DP	1450000.00
15	0647813	GSU		DP	632,000.00
16	0647545	GSU		DP	570,000.00
17	0647538	GSU		DP	3,190,000.00
18	0647540	GSU		DP	3600000.00
19	0647543	GSU		DP	505,000.00
20	0435369	GSU		DP	3600000.00
21	0647546	GSU		DP	1146000.00
22	0647542	GSU		DP	2,000,000.00
23	0647541	GSU		DP	6400,000.00
24	87931	APTC	PHOTOCOPY	DP	2,784,000.00
25	2007-2008	GSU		DISPOSA L	
26	GSU/Q/4/2007- 2008	GSU		ANNUAL	
27	GSU/TPT/T1/2007- 2008	GSU		RFQ	7,522,260.00
28	NBI/D01/176/2007 -2008	GSU		RT	3,838,973.60
29	GSU/Q/10/2007- 2008	GSU		RT	5,633,575.00

30	GSU/TPT/2/2007-2008	GSU		ANNUAL	
31	GSU/Q8//2007-2008	GSU		ANNUAL	
32	GSU/TPT/1/2007-2008	GSU		ANNUAL	
33	GSU/Q/3/2007-2008	GSU		ANNUAL	
34	POLICE/Q/2/2007-2008	POLICE		TENDER	31,465,000.00
35	POLICE/Q/2/2007-2008				
36	GSU/MTC/20/3/2007-2008	GSU	BISCUITS	DP	25,620,000.00
37	POLICE/MTC/7/6/2007-08	POLICE	UHF EQUIP	RT	8,982,660.00
38	GSU/MTC/20/11/2007-08	GSU	LAN NETWORK	RT	5,633,575.00
39	POLICE/MTC/20/12/07-08	POLICE	RIOT GEAR	DP	137,500,000.00
40	POLICE/MTC/20/6/07-08	POLICE	TEAR GAS	DP	
41	POLICE/MTC/19/2007-08	POLICE	PREFAB HSES	DP	406,115,968.00
42	POLICE/MTC/21/7/07-08	POLICE	COMPUT	ONT	
43	APTC/MTC/22/8/2007-08	APTC	LAND	DP	30,000,000.00
44	POLICE/MTC/24/1/07-08	POLICE	ASSORTED	DP	242,333,055.00
45	POLICE/MTC/25/3/07-08	POLICE	ASSORTED	DP	242,333,055.00
46	POLICE/MTC/25/2007-08	POLICE	PREFAB HSES	DP	76,146,744.00
2847	POLICE/MTC/26/2007-08	POLICE		DP	76,146,744.00
48	APTC/MTC/27/4/2007-08	APTC	WORKS	ONT	112,8867,536.00
49	POLICE/MTC/28/5/2007-08	POLICE	RIOT GEAR	DP	137,500,000.00
50	POLICE/MTC/29/3/07-08	POLICE	NEW A/C	DP	445,655,840.00
51	APTC/MTC/31/9/2007-08	APTC	AMMUNITION	DP	29,200,000.00
52	GSU/MTC/34/5/2007-08	GSU	COMPO RATION	ONT	25,001,000.00
53	GP/MTC/34/7/2007-08	GP	PAPER BULK	RT	5,000,000.00
54	POLICE/MTC/34/1	POLICE	PREFAB HSES	DP	91,376,092.00

	0/07-08				0
55	POLICE/MTC/35/2 007-08	POLICE	PREFAB HSES	DP	CANCELLED
56	POLICE/MTC/38/4 /07-08	POLICE	PREFAB HSE	DP	88,330,223.00
57	POLICE/MTC/35/1 2/07-08	POLICE	RIFLES	DP	98,000,000.00
58	POLICE/MTC/36// 2007-08	POLICE	RIFLES	DP	CANCELLED
59	GSU/MTC/37/8/20 07-08	GSU	UNIHUTS	ONT	12,978,000.00
60	GSU/MTC/37/10/2 007-08	GSU	VARIATION	ONT	68,847,000.00
61	POLICE/MTC/20/2 007-08	POLICE		DP	27,782,420.00
62	OOP/MTC/39/7/20 07-08	OOP	FURNITURE	RFQ	16,684,700.00
63	APTC/MTC/39/8/2 007-08	APTC	FURNITURE	RFQ	19,424,230.00
64	POLICE/MTC/39/1 3/07-08	POLICE	TENTS	RT	14,176,000.00
65	APTC/MTC/39/16/ 07-08	APTC	TENTS	RT	16,588,000.00
66	GP/01 2007 - 2008	GP	PHOTOGRAPHIC	ONT	
67	GP/02/2007 – 2008	GP	PLATES AND CHEM	ONT	
68	GP/03/2007 – 2008	GP	MAINTENANCE	ONT	1,920,000.00
69	GP/04/2007 – 2008	GP	CLEANING	ONT	2,220,000.00
70	GP/05/2007 – 2008	GP	ENVELOPES	ONT	
71	GP/06/2007 – 2008	GP	ROLLER	ONT	
72	GP/07/2007 – 2008	GP	PAPERS	ONT	
73	GP/08/2007 – 2008	GP	PRINTING	ONT	
74	GP/09/2007 – 2008	GP		ONT	
75	GP/10/2007 – 2008	GP	SEPARATION	ONT	
76	GP/11/2007 - 2008	GP	MAINTENANCE	ONT	
77	GP/12/2007 – 2008	GP	NCR PAPER	RT	11,000,000.00
78	GP/13/2007 – 2008	GP	PRINTING	RT	5,000,000.00
79	GP/14/2007 – 2008	GP	CAMERA	RT	7,600,000.00
80	3/2007 – 2008	GP	BINDING GLUE	RFQ	990,000.00
81	13/2007 – 2008	GP	CARPET	RFQ	445,440.00
82	21/2007 - 2008	GP	PRIMER	RFQ	1,547,525.00
83	22/2007 – 2008	GP	DESIGN	RFQ	897,768.00
84	23/2007 – 2008	GP		RFQ	1,728,959.00

			INSTALLATIO N		
85	77/2007 – 2008	GP	DISKETTES	RFQ	800,000.00
86	155/2007 – 2008		CHOKES 240V	RFQ	174,000.00
87	192/2007 - 2008		HYDROVAN	RFQ	974,000.00
88	100/2007 – 2008	GP	FLOG ALCOHOL	RFQ	2,497,500.00
89	208/2007 – 2008	GP	TABLE	RFQ	299,000.00
90	132/ 2007-2008	GP	DVDPUBLISHE R	RFQ	2,352,000.00
91	146/2007-2008	GP	BINDING WIRE	RFQ	993,000.00
92	17/2007-2008	GP	STORAGE ROCKS	RFQ	1,895,000.00
93	1/2007-2008	GP	ENVELOPES	RFQ	980,000.00
94	41/2007-2008	GP	WAX SOLVENT	RFQ	1,455,000.00
95	45/2007-2008	GP	PVC CABLE	RFQ	555,400.00
96	64/2007-2008	GP	STANDARD WORK	RFQ	993,000.00
97	51/2007-2008	GP	ROLLER	RFQ	891,000.00
98	83/2007-2008	GP	METALLIC PIPE	RFQ	496,000.00
99	114/2007-2008	GP	WASH UP FLUID	RFQ	499,000.00
100	119/2007-2008	GP	COPY HOLDER	RFQ	982,000.00
101	133/2007-2008	GP	SPLIT AIR	RFQ	1,978,700.00
102	150/2007-2008	GP	ACCESSORIES	RFQ	1,427,100.00
103	152/2007-2008	GP	ACCESSORIES	RFQ	1,435,000.00
104	OP/20/2007-2008	OP	SERVER	RFQ	489,000.00
105	OP/021/2007-2008	OP	CURTAINS	RFQ	531,335.00
106	OP/025/2007-2008	OP	T-SHIRTS	RFQ	233,300.00
107	OP/026/2007-2008	OP	PABX	RFQ	487,200.00
108	OP/027/2007-2008	OP	VIDEO DOC	RFQ	250,000.00
109	OP/031/2007-2008	OP	FUMIGATION	RFQ	1,922,700.00
110	OP/033/2007-2008	OP	WORK STATION	RFQ	423,200.00
111	OP/045/2007-2008	OP	LASER PRINTER	RFQ	No funds
112	OP/06/2007-2008	OP	CHAIRS CONFERENCE TABLE	RFQ	583,600.00
113	OP/21A/2008-2008	OP	PUBLIC ADDRESS	RFQ	768,000.00

			SYSTEM		
114	OP/49/2007-2008	OP	OFFICE FURNITURE	RFQ	16,422,700.00
115	OP/054/2007-2008	OP	UNIFORM	RFQ	Rejected
116	OP/012/2007-2008	OP	DECORATIONS	RFQ	390,000.00
117	OP/013/2007-2008	OP	REPAIR VEHICLE	RFQ	173,600.00
118	OP/017/2007-2008	OP	REPAIR PABX	RFQ	471,060.00
119	OP/018/2007-2008	OP	SERVER	RFQ	710,000.00
120	OP/022/2007-2008	OP	REFURBISHMENT	RFQ	476,109.60
121	OP/023/2007-2008	OP	REFURBISHMENT	RFQ	462,515.20
122	OP/029/2007-2008	OP	FITTING CARPET	RFQ	450,000.00
123	OP/036/2007-2008	OP	INSTALLATION SATELLITE AFRICA	RFQ	450,312.00
124	OP/043/2007-2008	OP	PRINTING T-SHIRTS	RFQ	Cancelled
125	OP/061/2007-2008	OP	POLO T-SHIRTS	RFQ	Cancelled
126	OOP/001/2007-08	OP	AIR LIFTING	ONT	
127	OOP/002/2007-08	OP	CLEANING	ONT	
128	OOP/003/2007-08	OP	LAND SCAPING	ONT	
129	OOP/004/2007-08	OP	STATIONERY	ONT	
130	OOP/005/2007-08	OP	COMP.STATIONERY	ONT	
131	OOP/006/2007-08	OP	TYRES AND TUBES	ONT	
132	OOP/007/2007-08	OP	CUT FLOWERS	ONT	
133	OOP/008/2007-08	OP	COMPUTER/PRINTERS	ONT	
134	OOP/009/2007-08	OP	FUMIGATION	ONT	
135	OOP/0011/2007-08	OP	MISC ITEMS	ONT	
136	OOP/013/2007-2008	OP	MOUNTING	RT	3,750,000.

					00
137	OOP/014/2007-2008	OP	POWER DISTRIBUTION	RT	4,063,672.00
138	OOP/012/2007-2008	OP	PREQUALIFICATION	RT	4,630,952.00
139	PREQ 1/2007-08	OP	PREQUALIFICATION	ONT	
140	PREQ 2/2007-08	OP	PREQUALIFICATION	ONT	
141	PREQ 3/2007-08	OP	PREQUALIFICATION	ONT	
142	PREQ 4 / 2007 – 08	OP	PREQUALIFICATION	ONT	
143	PREQ 5/2007-08	OP	PREQUALIFICATION	ONT	
144	PREQ 6/2007-08	OP	PREQUALIFICATION	ONT	
145	Price Variation	OP	BMW MOTORBIKER	DP	18,500,000.00
146	OOP/11/2007-2008	OP	HUNTER DOUGLAS	RT	3,195,075.00

7.3 Documents requested and submitted

TENDER/LPO NO	DEPT	DESCRIPTION	METHOD	AMOUNT
0164582	POLICE/QTM	TEXTILE	ONT	31,465,000.00
0164581	POLICE/QTM	TEXTILES	ONT	24,505,000.00
0474072	POLICE/QTM	UNIFORM	ONT	5,600,000.00
0474070	POLICE/QTM	UNIFORM	ONT	6,496,000.00
0474058	POLICE/QTM	UNIFORMS	ONT	6,736,500.00
0647544	GSU		DP	6,400,000.00
0623058	POLICE/QTM	BEDS	ONT	13,062,500.00
0222256	POLICE/CFA	RIOT BALLS	DP	11,500,000.00
0222259	POLICE/CFA	RIOT GEAR	ONT	5,118,024.00
0435367	GSU		DP	6,400,000.00
87931	APTC	PHOTOCOPY	DP	2,784,000.00
2007-2008	GSU		DISPOSAL	
POLICE/Q/2/2007-2008	POLICE		TENDER	31,465,000.00
POLICE/Q/2/2007				

-2008				
POLICE/MTC/7/6/2007-08	POLICE	UHF EQUIP	RT	8,982,660.00
GSU/MTC/20/11/2007-08	GSU	LAN NETWORK	RT	5,633,575.00
POLICE/MTC/20/12/07-08	POLICE	RIOT GEAR	DP	137,500,000.00
POLICE/MTC/20/6/07-08	POLICE	TEAR GAS	DP	
POLICE/MTC/19/2007-08	POLICE	PREFAB HSES	DP	406,115,968.00
POLICE/MTC/21/7/07-08	POLICE	COMPUT	ONT	
POLICE/MTC/25/2007-08	POLICE	PREFAB HSES	DP	76,146,744.00
POLICE/MTC/26/2007-08	POLICE		DP	76,146,744.00
APTC/MTC/27/4/2007-08	APTC	WORKS	ONT	112,8867,536.00
POLICE/MTC/28/5/2007-08	POLICE	RIOT GEAR	DP	137,500,000.00
POLICE/MTC/29/3/07-08	POLICE	NEW A/C	DP	445,655,840.00
APTC/MTC/31/9/2007-08	APTC	AMMUNITIO N	DP	29,200,000.00
GSU/MTC/34/5/2007-08	GSU	COMPO RATION	ONT	25,001,000.00
GP/MTC/34/7/2007-08	GP	PAPER BULK	RT	5,000,000.00
POLICE/MTC/34/10/07-08	POLICE	PREFAB HSES	DP	91,376,092.00
POLICE/MTC/35/2007-08	POLICE	PREFAB HSES	DP	CANCELLED
POLICE/MTC/38/4/07-08	POLICE	PREFAB HSE	DP	88,330,223.00
GSU/MTC/37/8/2007-08	GSU	UNIHUTS	ONT	12,978,000.00
GSU/MTC/37/10/2007-08	GSU	VARIATION	ONT	68,847,000.00
POLICE/MTC/20/2007-08	POLICE		DP	27,782,420.00
OOP/MTC/39/7/2007-08	OOP	FURNITURE	RFQ	16,684,700.00
APTC/MTC/39/8/2007-08	APTC	FURNITURE	RFQ	19,424,230.00
POLICE/MTC/39/13/07-08	POLICE	TENTS	RT	14,176,000.00
APTC/MTC/39/16/07-08	APTC	TENTS	RT	16,588,000.00

GP/05/2007 2008	– GP	ENVELOPES	ONT	
GP/07/2007 2008	– GP	PAPERS	ONT	
GP/09/2007 2008	– GP		ONT	
GP/10/2007 2008	– GP	SEPARATION	ONT	
100/2007 – 2008	GP	FLOG ALCOHOL	RFQ	2,497,500.00
208/2007 – 2008	GP	TABLE	RFQ	299,000.00
OP/013/2007-2008	OP	Repair vehicle	RFQ	173,600.00
OOP/001/2007-08	OP	Air lifting	ONT	
OOP/002/2007-08	OP	Cleaning	ONT	
OOP/003/2007-08	OP	Land scaping	ONT	
OOP/004/2007-08	OP	Stationery	ONT	
OOP/005/2007-08	OP	Comp.stationer y	ONT	
OOP/006/2007-08	OP	Tyres and tubes	ONT	
OOP/007/2007-08	OP	Cut flowers	ONT	
OOP/008/2007-08	OP	Computer/ Printers	ONT	
OOP/009/2007-08	OP	Fumigation	ONT	
OOP/0011/2007- 08	OP	Misc items	ONT	
OOP/013/2007- 2008	OP	Mounting	RT	3,750,000.00
OOP/014/2007- 2008	OP	Power distribution	RT	4,063,672.00
OOP/012/2007- 2008	OP	Prequalification	RT	4,630,952.00
PREQ 1/2007-08	OP	Prequalification	ONT	
PREQ 2/2007-08	OP	Prequalification	ONT	
PREQ 3/2007-08	OP	Prequalification	ONT	
PREQ 4 / 2007 – 08	OP	Prequalification	ONT	
PREQ 5/2007-08	OP	Prequalification	ONT	
PREQ 6/2007-08	OP	Prequalification	ONT	
Price Variation	OP	BMW Motor biker	DP	18,500,000.00
OOP/11/2007- 2008	OP	Hunter Douglas	RT	3,195,075.00

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