



PUBLIC PROCUREMENT OVERSIGHT AUTHORITY
Transforming Procurement

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NAIROBI
KENYA

Procurement Circular No. 1/2014

29th January, 2014

To: All Accounting Officers

All CEO's, State Corporations

All Vice Chancellors, Public Universities

All County Secretaries, County Governments

All Clerks, County Assemblies

All Managers, Co-operative Societies

All Principals, Public Colleges/Schools

All CDF Account Managers

All Heads of Public Procuring Entities

RE: IMPLEMENTATION OF PROCUREMENT RESERVATION SCHEMES

Your attention is drawn to the Public Procurement and Disposal (Preference and Reservations) Regulations, 2011 of 8th June, 2011 under Legal Notice No. 58 and its subsequent Amendments under Legal Notice No. 114 of 18th June, 2013 commonly known as the Public Procurement and Disposal (Preference and Reservations) (Amendment) Regulations, 2013. The Purpose of these regulations is to promote local, regional and national industry and support socio-economic development by defining:-

- a) the target group and eligibility requirements for benefitting from the preference and reservations schemes;
- b) the percentage margin of the preference, where applicable;
- c) the goods, works and services set aside/ reserved for specified target groups;
- d) the regions within which to apply the scheme; and
- e) the means of measuring its effectiveness in achieving the objectives.

Further to Treasury Circular No.10/2013 Ref. No. ES. 1/03 of 14th August, 2013 on *Addendum To The Guidelines For Implementation of the Budget for Financial Year 2013/14* and Treasury Circular No. 14/2013 Ref. No. NT/PPD/1/3/26(24) of 25th September, 2013 on *Presidential Directive:- 30% of All Government Procurement Be Allocated To Youth, Women and Persons With Disabilities*, it has come to our attention that most procuring entities are mainstreaming the legal requirement at a very slow pace as observed and evidenced by the low compliance levels of reporting requirements of the preference and reservation schemes.

It is against this background and pursuant to regulation 26 of Public Procurement (Preference and Reservations) Regulations, 2011 that all Accounting Officers and Heads of Procuring Entities are reminded to strictly observe the aforementioned regulatory requirements by submitting reports to this Authority, copied to the National Treasury and the Ministry of Devolution and Planning as stated in Treasury Circular No. 14/2013 of 25th September 2013. Soft copies to the Authority may be submitted to reports@ppoa.go.ke.

The legal anchorage of the requisite reports is as detailed below:-

1. 30% Budgetary Reservations for Youth, Women and Persons With Disability

It is now mandatory for public procuring entities to allocate at least 30% of its procurement spend for the purpose of procuring goods, works and services from micro and small enterprises owned by youth, women and persons with disability. Procuring entities are required to report to this Authority pursuant to the requirements of Regulation 7 (Part 31(2)) of the Public Procurement (Preference and Reservations) (Amendment) Regulations, 2013 by implementing this directive through its:-

- (i) Budgets;
- (ii) Procurement plans;
- (iii) Tender notices; and
- (iv) Contract awards.

2. Mandatory Reports to PPOA

All public entities are required to submit mandatory quarterly reports as itemized below to this Authority in order to clearly demonstrate adherence to the aforementioned subsidiary legislation and its subsequent amendments:-

S/No	Report	Regulatory Provision	Frequency	Reporting Format
1.	Budget and Procurement Plan integrating preference and reservation schemes	Regulations 28 and 29 of Public Procurement (Preference and Reservations) Regulations, 2011 and Regulation 7 (Part 31(2)) of the Public Procurement (Preference and Reservations) (Amendment) Regulations, 2013	60 days from beginning of each Financial Year (i.e. by 29 th August of every year)	Appendix I
2.	Tender Notices and Contract Awards	Regulation 30 of Public Procurement (Preference and Reservations) Regulations, 2011 and Regulation 7 (Part 31(2)) of the Public Procurement (Preference and Reservations) (Amendment) Regulations, 2013	Quarterly (Reasonably within 14 days of the beginning of the ensuing quarter)	Appendix II (as provided for in Treasury Circular No. 10/2013 Ref. No. ES. 1/03 of 14 th August, 2013)

Taking cognizance of the foregoing, all procuring entities should submit to this Authority all the pending procurement reports of their organizations since the beginning of this Financial Year 2013/2014. The pending reports should be submitted within three weeks from the date of this Circular in the formats given by the aforementioned Treasury Circulars and as stipulated in this Circular under Appendix I.

Please bring the contents of this Circular to the attention of all officers under your jurisdiction to ensure its adherence and compliance when conducting all procurements. Procuring entities are reminded that Legislative instruments governing public procurements including procurement documents/manuals and policy guidelines issued from time to time can be viewed/downloaded from the PPOA Website www.ppoa.go.ke.

Finally, you are advised to consult the Public Procurement Oversight Authority in the event of any operational challenges in your procurement proceedings.

Enclosed herewith are the requisite reporting formats for the Consolidated Annual Procurement Plan and that of the Quarterly Implementation Status of Preference and Reservation schemes.



M.J.O. JUMA, MBS
DIRECTOR-GENERAL

Encls.

Copy to: **Prof. Githu Muigai, EGH, SC**
Attorney General
State Law Office
NAIROBI

Mr. Joseph K. Kinyua, CBS
Chief of Staff and Head of Public Service
Office of the President
Harambee House
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Dr. Kamau Thugge, EBS
Principal Secretary
National Treasury
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Mr. John Konchellah
Principal Secretary
Ministry of Devolution and Planning
Comcraft House
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Mr. Edward Ouko
Auditor General
Kenya National Audit Office
12th Floor, Anniversary Towers
NAIROBI

APPENDIX II

(As provided for under Treasury Circular No. 10/2013 Ref. No. ES. 1/03 of 14th August, 2013)

PREFERENCES AND RESERVATION REPORTING FORMAT	
Reporting Quarter	
A: GENERAL INFORMATION	
Procuring Entity Name	
Name of Accounting / Authorized Officer	
Designation of Accounting / Authorized Officer	
Contract Award/Order for	
Contract Value Kshs.	
Invitation/Proposal Reference No.	
Procurement Method	
B: FUNDING	
Budget and Source of Funds	
C: SPECIFIC INFORMATION	
Project/Programme Code/Ref No. (if applicable)	
Project/Programme Name (if applicable)	
Tender/Proposal/Quotation No.	
Tender/Proposal/Quotation Name	
Date of Advertisement (dd/mm/yyyy)	
Date of Notification of Award/Order (dd/mm/yyyy)	
Date of Contract Signing (dd/mm/yyyy)	
Proposed Date of Contract Completion/Delivery	
No. of Tenders/Proposals/Quotations Issued	
No. of Tenders/Proposals/Quotations Received	
No. of Responsive Tenders/Proposals/Quotations	
D: CONTRACT AWARD INFORMATION	
Brief Description of Contract/Order	
Contract/Order Value	
Name of Supplier/Contractor/Consultant	
Location of Supplier/Contractor/Consultant	
Location of Delivery/Works/Consultancy	
Target group	
Scheme applied (preference or reservation)	
Percentage of preferential bias applied	

Confirmed and Signed By the Accounting Officer/Head of Procuring Entity

Name _____ Sign _____ Date _____

APPENDIX I

Name of Procuring Entity
(LOGO)
CONSOLIDATED ANNUAL PROCUREMENT PLAN FORMAT
(Preference & Reservations)

Financial Year:

No.	Procurement Method	Item/Service Description	Source of Funds	Unit of Issue	On	Estimated Cost (KES)	Reservations for Target Group (%)			Margin of Preference for Local Contractors (%)	Timing of Activities (Quarterly Basis)					
							Other	Women	PWD		Citizen Contractors	1 st	2 nd	3 rd	4 th	
1.																
2.																
3.																
Etc.																
Total																

Prepared and Consolidated by Head of Procurement. Sign Date

Approved by: Accounting Officer. Sign Date

¹ Source of Funds could either be GoK or Donor (Specify)

² (i) % Reservations for Target Group should be calculated as:

$$\frac{\text{Estimated Cost of Item} \times 100}{\text{Total Estimated Cost of Procurement Budget}}$$

(ii) Budgetary allocation Youth, Women and Persons with Disability (PWD) should not be less than 30% of the expected procurement spend.

³ Margin of Preference for Local Contractors should be calculated as:

$$\frac{\text{Estimated Cost of Item} \times 100}{\text{Total Estimated Cost of Procurement Budget}}$$

⁴ This shall state the intended stage of procurement cycle namely; "initiation", "tendering" or "contract performance." One or all can be in one quarter.