



**PPRA**

PUBLIC PROCUREMENT  
REGULATORY AUTHORITY

**SUMMARY OF THE PUBLIC PROCUREMENT AND  
ASSET DISPOSAL REVIEW REPORT FOR  
AGRICULTURE, FISHERIES AND FOOD AUTHORITY  
FOR THE 2016-2017 FINANCIAL YEAR**

**MAY, 2019**

This report is a product of a Procurement and Disposal Review conducted by the Public Procurement Regulatory Authority (the Authority) pursuant to its mandate under the Public Procurement and Asset Disposal Act, 2015 (the Act). Section 9 of the Act bestows on the Authority the responsibility to monitor the public procurement system and report on the overall functioning and recommend any actions required for improvement. Part IV of the Act, further requires the Authority to ensure that the procurement procedures established under this Act are complied with. Specifically, Section 43 of the Act gives the Authority powers to review procurement and disposal records / systems to monitor compliance with the Act.

In view of the above, a procurement and disposal review of Agriculture and Food Authority (AFA) was conducted from 16 May 2018 to 15 June 2018. The main objective of the review was to determine the extent to which the Procuring Entity (PE) followed the procedures and rules established in the Act and the applicable regulations; circulars and directives issued by the Authority and other generally acceptable professional best practices, in conducting their procurement and disposal activities. The review also helps to identify strengths and weaknesses, as well as risks inherent in the procurement system and propose measures against any weaknesses and irregularities identified.

The review covered procurement proceedings for the period 1<sup>st</sup> July 2016 to 30<sup>th</sup> June 2017. The areas of focus during the review were: the institutional arrangements, procurement and disposal processes and contract management. The Reviewer examined sampled contracts to verify their compliance with the Act, the attendant Regulations and other directives issued by the Authority and other relevant bodies from time to time.

An entry meeting with the PE's management team was held on 27 April 2018 to discuss the scope of the review, the review plan, the Reviewers' and PE's expectations, access to documentation and other administrative issues. The contracts reviewed were sampled randomly but in a structured manner to include all item categories (i.e. goods, works, services and disposals) and procurement methods. The review used qualitative and quantitative data collection methods. The methods included interviews, observation, confirmation, analysis and review of records.

The review was mainly limited / constrained by unavailability of some records through the procurement process, late availing of records, and the reason that procurement records were with different officers from different records.

The number of supply chain management officers in post was eighteen (18) - ten (10) were in procurement and eight (8) were in warehousing. The proposed establishment for procurement staff in the Supply Chain Management Department was sixteen (16), with fourteen (14) being proposed to be in Tea Directorate, Horticulture Directorate, Sugar Directorate, Pyrethrum Directorate, Nuts and Oil Crops Directorate, Coffee Directorate, and Fibre Crops Directorate Directorates, making a total of thirty (30) staff.

The AFA Disposal Committee which was appointed by IDG on 1 Feb 2018 had four (4) members and a Secretary. However, the Chairman of the Disposal Committee was appointed by the IDG and the Secretary of the Disposal Committee was not the Head of Procurement, contrary to Regulation 92 (1) (b). The committee did not hold regular meetings during the

review period as required under Regulation 92 (3) of the Public Procurement and Disposal Regulations, 2006.

All procurements records were filed. However, most procurement records were filed together in box files for the reason that they were quotations with few records. Most procurement records were available, but were not filed in a chronological order, and did not have folio numbers. Procurement records ended Inspection and acceptance/ contract implementation records where available. No officer was in charge of procurement records.

AFA planned its procurements, and the procurement plan was approved by the IDG. However, some of the procurements were not captured in the procurement plan. The Consolidated Annual Procurement Plan was in an appropriate format (as prescribed by PPRA), was approved by the IDG, but was not prepared in a timely manner and was not timely submitted to PPRA. There was no internal policy on 30% reservations scheme, although it was in full application.

There were various correspondences with PPRA including in regard to submission of the Procurement Plan on Preference and Reservations and contract awards (including Direct Procurements), which were in the appropriate format.

The procurement files were stored in a lockable drawer, but the tender documents were stored on the floor of a lockable office leading to the Supply Chain Manager's office, with no office in charge of the records. AFA also had tender boxes earmarked and labelled as either tender box or quotation box.

AFA had an internal store and a number of warehouses across the country. The procurement Reviewer was not provided with stores records and was therefore unable to obtain stock balances. The store items were being kept on the floor in a lockable office.

AFA had an E-procurement system that was managed hand in hand with a manual system in processing of procurements and payments.

To some extent, the award prices were close to the estimated prices, whereas in other instances, there were huge disparities. The proposed method was the right procurement method in most instances with exception to Provision of Legal Services for Regularization of AFA Titles & Renewal of Leases where the Request for Quotation method was used instead of Restricted Tendering method or open Tendering method. Bidders were mostly accorded the right time period to prepare their bids with exception to procurement of catering services and procurement of conference facilities for Team Building Exercises. The appropriate tender document was used with exception of Provision of Legal Services for Regularization of AFA Titles & Renewal of Leases where the Request for Quotation document was issued. The tender evaluation criteria were objective and quantifiable with exceptions in procurement of tenders for provision of security services, and provision of medical cover. Tender opening committees were appointed in a few cases, and tender evaluation committees were majorly appointed. The tender opening procedures were not followed. Mostly, tender evaluations were carried out as per the evaluation criteria and in half of the cases, the tender evaluation committee did not undertake individual tender evaluations, and in some cases, fewer members than those appointed signed the evaluation report. The head of procurement mostly wrote his professional opinion and secretariat comments, and the Accounting Officer awarded as recommended, within the tender validity period, with exception of some cases



where the notification of award letter was issued before award. To large extent simultaneous notifications letters to successful and unsuccessful bidders were issued, and unsuccessful bidders given reasons for rejection of their tenders but were not informed of the winning bidder. Contracts were signed after the appeal window period by both parties and were priced with exception of tender for supply of uniform. There was no instance where advance payment was applicable.

In some cases, the Inspection and Acceptance Committees were not appointed, and where appointed, the committees inspected goods and services and issued inspection and acceptance certificates. There was no instant when goods and services were rejected. There were no contract close out reports. A number of contracts had been completed and fully paid for, whereas a number of contracts had not been completed by the end of audit and their payments were on-going. Largely, there were no contract variations but the following exceptions: In contract Nos. AFA/NOCD/RFQ/002/2016-2017, AFA/RFQ/18/2016-2017 (Supply of Laptops and Ipads and AFA/T/15/2016-2017 (Provision of Staff Medical Cover), contract variations were not as provided for in the law. Most contract awards were reported to PPRA. In Tender No.AFA/RFQ/23/2016-2017 (supply of toners) and AFA/RFQ/48/2016-2017 (Provision of Training for Cross Cutting Committee Members) the contractors were overpaid, and the overpaid amounts should be recovered.

AFA should ensure that performance securities are furnished where required, and prepare contract close out reports for completed contracts, undertake contract variations in accordance with Sections 129, 139 and 151 of the Public Procurement and Assets Disposal Act, 2015, report all contract awards to PPRA, and ensure that the Supply Chain Management Department is in possession of procurement, disposal and contract management records.

Upon conclusion of the review the overall compliance and risk rating of the PE's procurement and asset disposal system was determined based on compliance and risk rating criteria defined in the Authority's Compliance Monitoring Manual. To this end, the entity has attained a compliance level of 49.6% and a risk rating of 50.4 % in respect of the indicators used in the review. This is an indication of a marginally compliance level.

AFA should ensure that procurement procedures are fully complied with. The detailed findings and recommendations for addressing the weaknesses are captured in Section II of this report. AFA should implement the recommendations within the specified timelines and update the Authority on the same for purposes of follow up. The response of the Procuring Entity to the issues identified in the report is in Annex 4.