



PPRA

PUBLIC PROCUREMENT
REGULATORY AUTHORITY

**SUMMARY OF THE PUBLIC PROCUREMENT AND
ASSET DISPOSAL REVIEW REPORT FOR KENYA
FOREST SERVICE 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 Kenya Forest Service was conducted from 26th April 2018 to 25th 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 1st July 2016 to 30th June 2017. The areas of focus during the review were: the institutional arrangements, procurement and disposal processes and contract management. The reviewers 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 26th 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 lack of a record management system and in particular lack of procurement files for each procurement and lack of contract files for each implemented contract. Documents retrieval was difficult and time consuming. The Head of department was on interdiction and the only competent staff was the Chief procurement Officer then acting as the HOP. Majority of the other staff were engaged on short term contracts of one year duration.

The summary of the key findings based on the three broad indicators were as follows:

KFS had a strategic plan and a documented career progression framework in place. There was an established Procurement department but without a full staff complement. The staff had academic qualifications ranging from KCE to Master's degree. However, not all staff were licensed members of KISM. The PE did not have a training program for its staff but had procured a Consultant to carry out a training needs assessment. The HOP reported directly to

the Chief Conservator of Forests. KFS had implemented an ERP system that supported the procurement process.

There was an approved annual procurement plan to guide the procurement process. The PE used the standard tender documents, appropriate procurement methods and was developing an internal procurement and disposals manual. To a large extent the PE appointed the required procurement committees. Procurement records were not maintained according to the public procurement records management procedure manual PPRMPM. A number of contracts were procured at very different price from planned cost estimate and invitation to tenders were not in compliance with the law. There were instances where the tender opening minutes, tender evaluation minutes and notification of awards did not comply with the law.

LPO/LSO's did not provide for the payment terms or delivery period, Inspection and Acceptance committees did not point out contract delays. There were contract implementation delays and payment delay on executed contracts.

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 Kenya Forest Service (KFS) has attained a compliance level of **68%** which is an Average compliant level.

The procuring entity should ensure procurement staff are licensed members of KISM appropriately placed in the organization structure, consider implementing an ERP system to support the entire procurement cycle and ensure compliance with the law in the procurement proceedings. The detailed recommendations for addressing the weaknesses are captured in Section II of this report. The procuring entity should implement the recommendations within the specified timelines and update the Authority on the same for purposes of follow up.

