



PPRA

**PUBLIC PROCUREMENT
REGULATORY AUTHORITY**

**SUMMARY OF THE PUBLIC PROCUREMENT AND
ASSET DISPOSAL REVIEW REPORT FOR
RETIREMENT BENEFITS AUTHORITY FOR THE 2018-
2019 FINANCIAL YEAR**

FEBRUARY, 2020

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 **Retirement Benefits Authority** was conducted from 8th to 18th October, 2019. 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, 2018 to 30th June, 2019** to financial year. 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 8th October, 2019 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 the accessibility of procurement and contract management records. Various procurement and contract management records are not maintained in individual procurement and contract files as envisaged by the Public Procurement Records Management Procedures Manual (2010) which was issued by the Public Procurement Regulatory Authority (the Authority). Thus retrieval of documents was cumbersome and took time.

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

Institutional Arrangements

The Retirement Regulatory Authority (RBA) has an established Procurement Function which reports to the Accounting Officers as envisaged by the Public Procurement and Asset Disposal Act, 2015 (PPADA). The Function is staffed with qualified staff. RBA also had an approved procurement plan for the review period and submitted reports on contract awards to the Authority. RBA also have a secure storage facility for common user items. Store records were well maintained.

The head of Procurement Function prepared professional opinions and submitted them to the Accounting Officer to assist him in making decisions on contract awards.

However, the Institutional Arrangements had weaknesses which included lack of an internal Public Procurement and Asset Disposal Manual and failure to maintain complete individual Procurement Files. It was also noted that though RBA reserved some of its procurements to youth, women and persons living with disability in the procurement plan, the plan did not show the specific procurements that were reserved. Further, it was noted that the secretary the Disposal Committee is not the head of Procurement Function as envisaged by Regulation 92 of the Public Procurement and Disposal Regulations, 2006 (PPDR). In addition, some of the members of the disposal committee are not heads of departments.

Procurement Processes

The procurement processes had strengths which included publication of procurement opportunities, choice of procurement methods, planning of procurement activities and preparation of tender opening and evaluation records by committees. Head of Procurement Function prepared and submitted professional opinions to the Accounting Officer. Tender awards and notifications were made within the tender validity periods. However, some weaknesses were identified in the procurement processes which included lack of appointment letters for tender opening and evaluation committees, tender opening committees overlooked some of the tender opening procedures, distribution of marks amongst the evaluation criterion and failure by the evaluation committee to prepare individual scores sheets for preliminary and financial evaluations. There were also some incidences where successful bidders were notified the award but declined the offer on the ground that the award did not include taxes or expressed inability to perform as they had under quoted.

For all the sampled contracts, RBA entered into written contracts with the successful bidders within the tender validity period except in tender No. RBA/RFP/INESTISER/613/743/2018: Request for Proposal for Investigation Service whereby the contract was signed on 28th January, 2019. This was after lapsing of the 90 days tender validity period taking into consideration that tenders were opened on 28th June, 2018. Further, the contract documents was prepared by the successful bidder and presented to RBA for signing. The contract overlooked some of the information provided in the bidding documents. Payments were also made promptly and within the timelines provided in the contracts.

Upon conclusion of the review the overall compliance and risk rating of the RBA's procurement and asset disposal system was determined based on compliance and risk rating criteria defined in the Compliance Monitoring Manual of the Authority. To this end RBA attained a compliance level of **58%** is considered marginally compliant and a moderate risk level of **42%**.

The procuring entity should undertake measures to address the non-compliance issues identified above. The detailed recommendations for addressing the weaknesses are captured in Section Four 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.