



**SUMMARY OF THE PUBLIC PROCUREMENT AND ASSET DISPOSAL
ASSESSMENT REPORT FOR KENYA BUREAU OF STANDARDS FOR
2017/2018 FINANCIAL YEAR**

NOVEMBER, 2018

This report is a product of a Procurement and Asset Disposal Assessment 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 assess procurement and asset disposal records / systems as a way of monitoring compliance.

In view of the above, a procurement and disposal assessment of Kenya Bureau of standards was conducted from 20th to 22nd November 2018. The assessment covered procurement and disposal proceedings for the period 1st July, 2017 to 30th June 2018. The main objective of the assessment was to determine the extent to which the Procuring Entity (PE) complied with 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 assessment also aimed at identifying strengths and weaknesses (if any), as well as risks inherent in the procurement system and propose remedial measures to address the weaknesses identified.

An Entry Meeting with the PE's representatives was held on 20th November 2018 to discuss the scope of the assessment, the assessors' and PE's expectations, access to documentation and other issues relevant to the exercise. For purposes of assessing the procuring entity's compliance and risk levels, the assessors examined sampled contracts and focussed on two broad indicators namely: institutional arrangements, procurement and disposal processes. The sampling was done randomly but in a structured manner to include all item categories (i.e. goods, works, services and disposals) and procurement and disposal methods used during the period under assessment. The review used qualitative and quantitative data collection methods. The methods included interviews, observation, confirmation and examination of records.

The assessment was mainly constrained by documents not being filed in order they are generated.

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

Institutional arrangement

Strength

Procurement Function was established and key officers had professional qualification in procurement. The entity had an approved procurement plan. Both tender and quotation boxes were easily accessible. The Procurement Function maintained individual Procurement Files for each procurement. The files were marked with tender numbers and their respective descriptions.

Weaknesses

Majority of staff had no membership to Kenya Institute of Supplier Management
KEBS does not submit reports to the Authority and on visiting the stores Physical and ledger stores were not tallying for most of the items. KEBS did not have a Procurement and Asset Disposal Manual. Procurements reserved for the enterprise owned by youth, women and

persons living with disability were less than the prescribed threshold of at least 30% of the procurement budget. The procurement files were incomplete as some of the procurement records were not in the files. Further, the documents in the file were not assigned folio numbers and were not filed in the order of the procurement process.

Procurement and Asset Disposal Processes

Strengths

Procurements were initiated by the Users through Internal Memos. The entity used standard tender documents as required by Section 58 and 70 of the PPADA. The Accounting Officer appointed all the committees in accordance with the law. KEBS entered into written contracts with successful bidder.

Weaknesses

Estimated costs were not indicated in the purchase requisitions. In some instances, the standard tender documents did not have specifications of the items being procured. Further, the documents in the file were not assigned folio numbers and were not filed in the order of the procurement process.

Upon conclusion of the assessment 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 Bureau of standards has attained a compliance level of 52.5 % which is regarded as marginally compliant and a moderate risk level of 47.5%.

The procuring entity should organize for capacity building for the heads of departments, Procurement personnel and Users on the current Procurement Law and the directives issued by the Authority. 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.

