



**SUMMARY OF THE PUBLIC PROCUREMENT AND ASSET DISPOSAL
ASSESSMENT REPORT FOR MAKUENI COUNTY GOVERNMENT FOR 2017/2018
FINANCIAL YEAR**

MARCH, 2019

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 Makueni County Government was conducted from 18th to 20th March, 2019. 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 18th March, 2019 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 limited / constrained by the pace at which documents were being availed.

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

The County Government had procurement unit with a staff establishment of 29 staff members. It was headed by a Director Supply Chain Management Service and reports directly to the Chief Officer Finance and Economic Planning. Personnel files and records of membership to Kenya Institute of Supplies Management (KISM) for majority of the procurement staff were not availed. Hence, it was difficult to establish whether all the procurement staff were procurement professionals as required. A draft internal procurement policy / manual had been prepared by the procuring entity. The entity had a Disposal Committee appointed by the Accounting Officer vide a letter dated 11th July, 2018 but disposal plan for the financial year 2017-2018 was not prepared. There was no evidence that the committee held any meeting for purposes of deliberating on disposable items within the procuring entity. Individual procurement files were maintained.

However, the files were incomplete because some documents were not in the file. The documents in the file were not filed chronologically.

The procuring entity planned for some of its procurements as indicated in the extract of the annual consolidated procurement plan. Approved purchase requisitions were used to initiate the procurements processes. The requisition provided brief description of requirement, specifications, bills of quantities, designs where applicable and the estimated cost. The procurement method used by the procuring entity were appropriate. In most cases, the PE used open tender which is the most preferred method. Standard tender documents were used by the procuring entity in most of its procurements. However, the tender documents were not properly customized. For instance, changes were made directly in the instructions to tenderers instead of using the appendix to instructions to tenderers.

Bidders were simultaneously notified of the outcome and the unsuccessful bidders were given reasons as to why they were unsuccessful, names of the successful bidders and the amount awarded. The successful bidder was required to signify acceptance in writing within 7 days from the date of the notification and contracts signed after 14 days from the date of notification. Most of the successful bidders accepted offers as required. The procuring entity and successful bidders entered into written contracts within the days specified in the notification based on the documents listed in the bid document. Inspection and acceptance Committees were appointed in writing by the respective chief officers even though there were instances where no appointment was done. Inspection and acceptance were carried by the inspection and acceptance committees on behalf of the procuring entity with records such minutes' reports/certificates maintained. Based on payment records availed, the assessment team noted that bidders were paid in accordance with the contractual obligations.

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 Makueni County Government attained a compliance level of 67% which is an indication of marginal compliant with a moderate risk level of 33%.

The procuring entity should ensure that the weaknesses identified in the report are addressed. 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.

