



PUBLIC PROCUREMENT MANUAL

FOR

SCHOOLS

AND

COLLEGES

First Edition
July 2009

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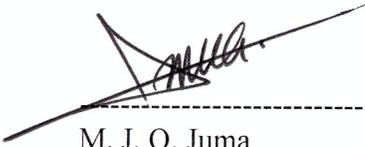
PUBLIC PROCUREMENT MANUAL FOR SCHOOLS AND COLLEGES

FOREWARD

The public procurement reforms in Kenya have culminated in promulgation of the Public Procurement and Disposal Act 2005 and the Public Procurement and Disposal Regulations 2006 that provide a legal framework for regulating public procurement, with oversight functions carried out by the Public Procurement Oversight Authority (PPOA). A Public Procurement and Disposal General Manual provides detailed guidance on general issues in procurement that are not adequately covered by the Act and Regulations. Sector specific manuals are being prepared to address specific issues that arise in particular areas of procurement.

This Manual has been prepared to address the specific procurement requirements of schools and colleges. The procurement processes set out in this Manual have reference to the salient provisions of the Act, Regulations and the Procurement General Manual which should be read together with this Manual. Some of the important general steps leading to effective procurements for schools and colleges have been incorporated in this Manual. Managers of schools and colleges are therefore required to familiarise themselves with the guidelines provided in this Manual and adhere to them.

This Manual has been prepared by e-sokoni consulting on behalf of PPOA as part of the Millennium Challenge Corporation Project for Strengthening the Public Procurement System in Kenya, which is administered by USAID. Oversight of the project was undertaken by ARD Inc. The Manual has been approved by PPOA as a guide for the procurement systems and procedures of education-related items and services.



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July 2009

BACKGROUND

The mission of the Ministry of Education (MOE) is to provide, promote and co-ordinate life-long education, training and research for sustainable development. Since 2003 the government has initiated many reforms in the education sector including the introduction of Free Primary Education (FPE). In 2008, the MOE increased its support to public secondary schools by providing some level of funding to support schools' operational and development expenditure. Some of these resources are used for procurement of books, other educational learning materials and facilities for the learning institutions.

Over time, various publications and guidelines have been produced by the Ministry of Education to ensure that the procedures in the procurement of goods, services and works for schools are transparent and that they guide the school management committees at all stages of procurement. These publications include: The Primary School Instructional Materials Management Handbook (July 2004); The School Improvement Grants Management Handbook (August 2005); The Handbook of Financial Management Instructions for Primary Schools (2005); The Handbook of Financial Management (2006); and The Secondary Schools and Colleges Procurement Manual (2007). The latter provides procurement guidelines on KESSP related expenditure. The manuals made reference to other Ministry of Education publications that set out in a more comprehensive manner the processes to be observed in the procurement of particular items such as instructional materials and school infrastructure.

As public procuring entities, education institutions are required by the PPD Act 2005 to establish tender committees to be responsible for procurement at various levels. The composition of such committees has also been determined in law. Although some schools have set up tender committees, a number of schools have yet to do so and the responsibility of this committee has been exercised by the School Management Committees. Additionally, other committees are formed to procure specific items in learning institutions. Membership of the School Tender Committees and other school committees is largely similar with the difference being that teachers play a greater role in the School Tender Committee and other school committees while parents play a greater role in the School Management Committee.

LIST OF ABBREVIATIONS AND ACRONYMS

BoG	Board of Governors
CIDA	Canadian International Development Agency
CIF	Cost Insurance Freight paid to named destination
DEB	District Education Board
DEO	District Education Officer
DFID	Department for International Development
DN	Delivery Note
EOQ	Economic Order Quantity
ERS	Economic Recovery Strategy
FMRs	Financial Monitoring Reports
FPE	Free Primary Education
FPESP	Free Primary Education Support Programme
GoK	Government of Kenya
GRV	Goods Received Voucher
HoD	Head of Department
HoP	Head of Procurement
HQ	Headquarters
IDA	International Development Agency
JFA	Joint Financing Agreement
KESI	Kenya Education Staff Institute
KESSP	Kenya Education Sector Support Programme
KIE	Kenya Institute of Education
KISE	Kenya Institute of Special Education
KNEC	Kenya National Examinations Council
LPO	Local Purchase Order
LSO	Local Service Order
MOE	Ministry of Education
MOHEST	Ministry of Higher Education, Science and Technology
MoU	Memorandum of Understanding
NFS	Non-Formal Schools
OVC	Orphans and Vulnerable Children
PC	Procurement Committee
PE	Procuring Entity
PEB	Provincial Education Board
PPDA	Public Procurement and Disposal Act
PPDR	Public Procurement and Disposal Regulations
PPOA	Public Procurement Oversight Authority
PU	Procurement Unit
PV	Payment Voucher
SAGA	Semi Autonomous Governmental Agencies
SIDA	Swedish International Development Agency
SKU	Stock Keeping Unit
SMC	School Management Committee
SWAP	Sector Wide Approach

TC	Tender Committee
TOR	Terms of Reference
TSC	Teachers Service Commission
USAID	United States Aid International Agency
VMI	Vendor Managed Inventory

1.0 INTRODUCTION

- 1.1 This Manual serves as a guide to implementation of the Public Procurement and Disposal Act and the Regulations with special reference to public schools and colleges. It is meant to promote effective and efficient performance of the procurement function in public sector schools and colleges.
- 1.2 The Manual sets out functional relationships and internal controls that promote transparency and accountability in the procurement process.

2.0 THE SCOPE OF THE SCHOOLS AND COLLEGES MANUAL

- 2.1 The procedures in the Manual shall be used in acquisition, receipt, storage, distribution and disposal of educational and non educational products and services in public schools and colleges in Kenya.
- 2.2 These procedures shall remain effective until announced otherwise by the Public Procurement Oversight Authority.
- 2.3 This Manual covers:
 - 2.3.1 The generic and specific steps in procurement for schools and colleges;
 - 2.3.2 Institutional arrangements for provision of oversight functions within the schools and colleges;
 - 2.3.3 Procurement planning and its linkage to budgeting process and implementation;
 - 2.3.4 Administration of the complete procurement cycle up to and including the receipt and acceptance of items procured;
 - 2.3.5 Warehousing and inventory management;
 - 2.3.6 The disposal of unserviceable, obsolete or surplus stores, other assets and equipment;
 - 2.3.7 A guideline for framework contracts; and
 - 2.3.8 Supplier performance measurement.
- 2.4 This Procurement Manual covers specific issues in public procurement in schools and colleges. The procedures address the procurements financed by the Government of Kenya.
- 2.5 Procedures for schools' and colleges' procurements that are jointly funded by the donor(s) and the GoK are defined in the specific program's documents based on the relevant donor agreements, Section 6 (1) of the PPDA states that where any provision of this Act conflicts with any obligations of the Republic of Kenya arising from a treaty or other agreement to which Kenya is a party, this Act shall prevail except in instances of negotiated grants and loans. According to Section 6 (3) of the PPDA, where Kenya contributes from her resources to any procurement activity within Kenya, such procurement is subject to applicable provisions of the PPDA.
- 2.6 A separate Manual was issued in 2007 for procurements under KESSP which shall continue to apply subject to the provisions of Section 6 of the PPD Act. The KESSP Programme anticipates a wide range of procurement activities, including the procurement of high value goods, large/small works and the selection of international and national consultants. The KESSP Programme is funded by a group of international donors who are referred to as Development Partners in this document.
- 2.7 The Development Partners have agreed in the Joint Financial Agreement (JFA) that the International Development Association (IDA), on behalf of the Development Partners supporting KESSP, shall carry out procurement tasks required on behalf of the others. IDA, on behalf of the Development Partners, will also handle all procurement related queries and/or complaints that may be lodged by any of the Development Partners or by prospective bidders with respect to any procurement decisions or contract awards made by PEs where funds originate from Development Partners under the programme.

- 2.8 Schools and colleges should observe the procurement procedures stipulated in the PPD Act and PPD Regulations for procurements subject to duly authorised public procurement procedures in use in Kenya as specified in the Joint Financing Agreement (JFA).

3.0 PROCUREMENT STRATEGIES FOR SCHOOLS AND COLLEGES

- 3.1 The public procuring entities within the educational sector should acquire goods and services on optimum terms by taking into account the acquisition price, payment terms, product or service quality, availability, and supplier support.
- 3.2 Qualified suppliers shall be offered equal opportunity to bid for supply of educational products and services.
- 3.3 The highest ethical and professional standards in procurement should always be observed in establishing a mutually beneficial relationship with suppliers and customers (internal and external).
- 3.4 All procurement of educational requirements shall be done through open competitive bidding, unless an alternative procurement method is justified pursuant to the relevant provisions in the Public Procurement and Disposal Act 2005, Public Procurement and Disposal Regulations 2006, the PPOA Procurement and Disposal General Manual or this Schools and Colleges Procurement Manual.
- 3.5 There should be continuous improvement of procurement processes by procuring entities to ensure simplicity, efficiency and cost effectiveness.
- 3.6 Procurement should be planned to enable prudent management of budgets and value optimization.
- 3.7 Procuring entities should endeavour to realize benefits of economies of scale by consolidating orders and purchasing routine educational requirements through framework contracts where feasible.
- 3.8 Procuring entities should keep abreast of best practices for procurement of educational goods, works and services through benchmarking with similar entities to facilitate continuous improvement of the procedures.

4.0 OBJECTIVES OF THE MANUAL

4.1 Introductions

This Manual is designed to enable schools and colleges to meet their obligations under the PPDA 2005 and the PPD Regulations 2006.

4.2 Specific objectives of this Manual

- 4.2.1 To guide procuring entities** to comply with Act, Regulations and guidelines.
- 4.2.2 To enhance economy and efficiency** by allowing competition among suppliers through open tendering or alternative procurement methods in accordance with the Act and the Regulations.
- 4.2.3 To increase transparency** by following formal written procedures throughout the process and using explicit criteria to award contracts. To the extent possible, information on tender processes should be made available to the public.
- 4.2.4 To increase integrity and public confidence** by adopting procedures that ensures fair treatment of suppliers.
- 4.2.5 To ensure full accountability** through proper management and monitoring of the procurement process.
- 4.2.6 To ensure the lowest possible total cost without compromising quality** by carrying out procurement in a manner designed to realize the lowest possible total. Efforts should be made to avoid hidden costs that may accrue from poor product quality, poor supplier performance or short shelf-life and inventory holding costs at various levels of the supply chain.
- 4.2.7 To ensure timely deliveries**
Logistic systems should be developed and implemented to ensure timely delivery of appropriate quantities to the right destinations in schools and colleges.
- 4.2.8 To separate the procurement functions and authorizations**
Procurement functions and responsibilities, such as selection, quantification, product specification, pre-selection of suppliers and evaluation of tenders should be divided among different offices, committees and individuals each with the appropriate expertise and resources in line with PPD Act Section 26(3) (c).
- 4.2.9 To prepare specifications**
The PE's educational requirements should be given consideration when developing procurement specifications. Specifications should be developed by a multi-functional ad hoc team in order to incorporate all the necessary professional inputs. The specifications should be as generic as possible.
- 4.2.10 To evaluate and measure the suppliers' performance**
Systematic evaluation and measurement of suppliers' performance should be undertaken to ensure compliance with the terms and conditions of contract, as set out in Section 18.0 on Procurement Performance Evaluation and Measurement of this Manual;
- 4.2.11 To automate the procurement process**
Procurement processes are to be computerized to the maximum extent possible in order to integrate the operations between Procurement Units and other departments. This will speed up routine transactions and information flow.

4.2.12 To maintain optimal inventory levels

Inventory levels should be maintained in accordance with the inventory management procedures set out in this Manual. The levels will ensure the best possible services to users at the lowest cost. Replenishment should be undertaken after considering the actual and anticipated use based on inventory management procedures in place. Replenishment of stocks should be carried out in accordance with the procedures in section 17.0 of this Manual.

4.2.13 To observe ethical practices in the procurement process

All procurement should be carried out ethically in line with the provisions of this Manual.

5.0 INSTITUTIONAL ARRANGEMENTS FOR OVERSIGHT

5.1 Introduction

It is necessary to have legal institutional arrangements for good governance, oversight and regulatory functions. Oversight and regulatory functions are the prerogatives of the PPOA on matters of public sector procurement. In schools and colleges compliance with legal provisions of the Act and the Regulations must be enforced through the institutional framework in the procuring entities established under Part III (*Internal Organization of Public Procurement Entities Relating to Procurement*) of the PPDA 2005.

5.2 The Regulatory and Oversight Role of PPOA

PPOA shall ensure that the public procurement procedures and rules established under the PPD Act and the PPD Regulations are complied with. PPOA shall perform all the regulatory and oversight function set out in the PPD Act and the PPD Regulations.

5.3 The Ministry of Education Headquarters

The Accounting Officer as Head of the Ministry of Education is responsible for ensuring that the Public Procurement and Disposal Act, Regulations and any circulars issued by Public Procurement Oversight Authority are complied with at the Ministry level. The Ministry of Education Headquarters is a Procuring Entity that shall plan and undertake procurement functions as set out in the Act and Regulations.

5.4 Colleges

The Director/ Principal as Head of Procuring Entity is responsible for ensuring that the Public Procurement and Disposal Act, Regulations and any circulars issued by Public Procurement Oversight Authority are complied with in respect of its procurements. The college as a Procuring Entity shall plan and undertake procurement functions as set out in the First Schedule of the Regulations –Threshold Matrix and the Second Schedule - College Tender Committee.

5.5 Schools

The Head Teacher / Principal as Head of Procuring Entity is responsible for ensuring that the Public Procurement and Disposal Act, Regulations and any circulars issued by Public Procurement Oversight Authority are complied with in respect of each of its procurements. The school as a Procuring Entity shall plan and undertake procurement functions as set out in the First Schedule of the Regulations – Threshold Matrix and the Second Schedule - Schools Tender Committee.

5.6 Procurement Organization of Schools and Colleges

5.6.1 Head of Department /Sections

The Heads of the procurement departments in colleges or the heads of the sections in schools are responsible for ensuring that the procurement functions are performed as set out in Regulation 9 of the Public Procurement and Regulations.

5.6.2 Procurement Unit

- a) The procurement process at this level will be coordinated by the officer designated to handle procurement in the institution. The Head of the Procurement Unit shall be responsible to the head of the institution. S/he should provide guidance to HoDs on preparation of their procurement plans, delivery scheduling and give technical advice on issues of procurement.
- b) The Unit is responsible for performance of functions set out in Regulation 7 of the PPDR 2006.

5.6.3 Tender Committees

The Tender Committees for Schools and Colleges shall be formed in line with the Second Schedule (Composition of Tender Committees) item No 6 for Colleges Tender Committee and item No. 7 for Schools Tender Committee. The Committees shall perform their functions in accordance with the provisions of Regulations 10, 11, and 12 of the PPDR 2006. Schools and colleges which have insufficient staff to constitute Tender Committees as required in the Second Schedule should consider forming joint committees with neighbouring schools or colleges or make use of a procuring agent in accordance with Section 28 of the PPD Act. Alternatively, they should consult PPOA for direction.

5.6.4 Procurement Committees

The Procurement Committees for Schools and Colleges shall be formed in line with Regulation 13. They shall perform their functions in accordance with Regulations 14 and 15 of the PPDR 2006.

5.7 Classification of Procuring Entities (Schools and Colleges)

Class A Procuring Entities	Class B Procuring Entities	Class C Procuring Entities
Ministry of Education Head Headquarters	Colleges	Primary, Secondary Schools Polytechnics

6.0 PROCUREMENT PLANNING FOR SCHOOLS & COLLEGES

6.1 Procurement Plan

- 6.1.1 The procurement plan is an instrument for implementation of the budget and should be prepared by the user departments in order to avoid or minimize urgent procurements that delay or frustrate efforts put in place to realize set objectives.
- 6.1.2 The procurement plan must be integrated into the budget processes. It should be based on the indicative or approved budget, as appropriate, and as provided in Regulation 20(2) of the PPDR 2006.
- 6.1.3 The budget as well as the procurement plan shall be based on realistic cost estimates derived from the market research database compiled and updated regularly by the Procurement Unit as provided in Regulation 8 (3) (z) of the PPDR 2006.
- 6.1.4 The departmental/sectional procurement plans shall be consolidated by the Head of Procurement Unit to come up with an institution's corporate procurement plan.
- 6.1.5 The Procurement Unit should verify the departmental /sectional procurement plans to ensure that they are representative of the operational requirements of the institution and subsequently forward the same to the Head of Procuring Entity for approval.
- 6.1.6 The plan must not be implemented before approval by the Head of the Procuring Entity, who may modify the plan according to available resources.
- 6.1.7 The contents of a procurement plan should adopt the format provided at Appendix (B) of this Manual.

6.2 Procurement Planning Procedures

- 6.2.1 Each individual PU shall prepare a procurement plan based on known or proposed procurement requirements derived from program departmental work plans.
- 6.2.2 The work plan from which the contents of the procurement plan are to be derived shall include:
 - a) A detailed breakdown of goods, works and services to be procured;
 - b) A schedule of procurement requirements in order of priority; and
 - c) A statement of financial and other resources required supported by a schedule.
- 6.2.3 In planning their procurement activities, the PU should take the following into account:
 - a) Information in the PU Work Plans referred in sub-section 6.2.2 above;
 - b) Consolidation of requirements to achieve volume discounts and thus lower unit costs;
 - c) Allocation of biddable lots ensuring that requirements are not split up without a justified reason;
 - d) Joint procurement with other PUs where possible to combine similar requirements;
 - e) Pre-qualification to cover groups of contracts where similar goods, works, services are required during the financial year;
 - f) Supporting descriptions, specifications and estimated costs;

- g) The institution's budgets, with any requirement in excess being reviewed and scaled down as appropriate;
 - h) The appropriate method for procurement depending on the thresholds set out in this Manual; and
 - i) A procurement schedule showing the various tasks required in the procurement and the expected delivery time.
- 6.2.4 Where appropriate, multi-year procurement plans may be prepared and integrated into the Medium Term Expenditure (budgetary) Framework (MTEF).
- 6.2.5 The plan should be supported by inventory information, operational requirements, project or specific program requirements.
- 6.2.6 The profile for past procurements validated by the latest market research information should be provided by the Head of the Procurement Unit. This information should be used to enhance preparation of a realistic procurement plan.
- 6.2.7 The procurement profile should include, but not be limited to the following information:
- a) Goods and services purchased and how much was spent on them;
 - b) How goods and services were purchased;
 - c) Sources of supply and their geographical location; and
 - d) Criticality of the goods and services to the organisation.
- 6.2.8 Market research databases referred to under sub-section 6.1.3 above should provide but not be limited to the following information:
- a) Suppliers' market shares;
 - b) Availability of alternative or substitute products;
 - c) Degree and type of competition between suppliers;
 - d) Technological trends;
 - e) Price indices;
 - f) Environmental factors that affect the supply market.
- 6.2.9 The procurement method to be used should be selected in accordance with the information contained in the market research data bank and the Threshold Matrix of the PPDR 2006.

6.3 Total Cost of Acquisition

- 6.3.1 The total cost of acquisition should be factored into the procurement plan to avoid inconveniences and delays in clearing of imported products that may arise from inadequate resource preparation to paying off unplanned for port and inland transportation charges.
- 6.3.2 In case of educational capital equipment, the costs should include installation, commissioning, testing, maintenance, training and operational cost such as energy and consumables (if necessary).
- 6.3.3 The Procurement Unit should provide market information on prices, technology, logistics rates to be used in preparation of the budget and a procurement plan.

- 6.3.4 Forecasting should be undertaken by the Procurement Unit in order to improve or adjust the past process.

Example: (Pursuant to sub-section 6.3.1 above)

Procurement of educational products and consumables

Cost factors:

Price of books bought from a Nairobi bookshop	Ksh 10,000,000.00
Transport and handling from Nairobi to the School	Ksh 500,000.00
Total procurement cost	Ksh 10,500,000.00

6.4 Total Cost Factor for Programmes in a Procurement Plan

- 6.4.1 Education sector programmes cover procurement of consultancy services, construction (works), supply of materials and other non-consultancy services and logistical services. These purchases should be classified under various components to enhance effective procurement planning.
- 6.4.2 Once the categorization is done, the timeframe for accomplishment of each category is to be carefully determined. It may be necessary to apply the project network techniques for effective management of all the associated activities within the time lines set.

6.5 Total Cost factor for Capital Equipment in a Procurement Plan

- 6.5.1 For high value capital equipment, the current prices should be obtained through market research to avoid substantial variances in the budget and the procurement plan.
- 6.5.2 Capital items typically have a life of many years and hence have a number of costs associated with them beyond the purchase price, for example the operational cost of motor vehicles. The total cost of ownership should be calculated by applying life cycle costing.

6.5.3 The components of Life Cycle Cost for Capital Equipment

Life cycle cost = Cost of Acquisition + Cost of ownership over the equipment’s useful life

Equipment to be bought should have the lowest Life Cycle Cost, as opposed to resorting to the lowest purchase price which may result in high cost of ownership. Life Cycle Cost must be correctly computed and ascertained before a purchase is taken into consideration.

The Cost of Acquisition includes design, specifying, purchasing, receiving, storage, and payment.

The Costs of Ownership include installation, commissioning, operation, maintenance, servicing, upgrading, disposal (un-serviceability, trade-in, obsolescence).

6.6 Planning for Equipment Maintenance and Repairs

- 6.6.1 In order to take account of costs of ownership, provision should be made in the procurement plan and the budget for maintenance and repairs.

- 6.6.2 Initially the procurement contract may include maintenance with clearly set out service level agreements for a period of time after the expiry of the warranty period.
- 6.6.3 All educational capital equipment should be subject to a preventive maintenance programme as well as repairs to ensure prolonged operational efficiency of the equipment.
- 6.6.4 In case an existing procurement contract does not cater for maintenance and servicing, the procuring entity should appraise and register service providers after establishing that they have proven technical expertise to maintain the equipment.
- 6.6.5 The service providers should preferably be authorized agents for the relevant equipment.
- 6.6.6 Proof of agency may be demonstrated by local agents producing manufacturer's letters of authorization.
- 6.6.7 The procuring entity should plan for disposal and subsequent replacement of such equipment once they become old and expensive to run or have become technologically obsolete.
- 6.6.8 The Heads of Departments should submit their plans to the Head of the Procurement Unit who should study and consolidate them and compile a master plan for approval by the Head of Procuring Entity.
- 6.6.9 The plan should be submitted at least 30 days before the end of each financial year.
- 6.6.10 The procurement plan should be prepared in the format provided under Appendix B of this Manual.

6.7 Implementation of Procurement Plan

- 6.7.1 Unplanned requirements that arise out of unforeseen operational needs or changes to the user's annual procurement plans should be communicated to the heads of procurement units in each Program Unit immediately whenever such changes occur.
- 6.7.2 Regular reports on implementation of the plan should be prepared by the Procurement Unit. The report is to include compliance or variances if any from the plan and the identified courses of such variances for remedial action.
- 6.7.3 The report referred to under section 6.7.2 should be submitted to the Head of the Procurement Unit or Head of Procuring Entity, as applicable and copied to the Heads of Departments, including Heads of Finance or School Bursar.
- 6.7.4 As far as practicable, any existing suitable substitutes or alternative products should be considered before initiating procurement of products not in the plan.
- 6.7.5 Where possible, requirements should be bundled into homogenous lots in the procurement plan and transferred to the bidding documents as follows:
 - a) The number of lots or packages;
 - b) The nature and size of each lot;

- c) The minimum and maximum number of lots a Tenderer may bid; and
 - d) The proportion of each lot that a Tenderer shall tender for.
- 6.7.6 The procurement plan will form the basis for monitoring procurements. The procurement process should be reviewed quarterly.
- 6.7.7 The PU will ensure that no non urgent requirements are acted upon unless supported by an approved procurement plan drawn in accordance with the format given in this Manual as shown in Appendix B.

7.0 SPECIFICATION OF EDUCATIONAL SUPPLIES

Specifying educational products can be very challenging where the products are not standard. The general guidelines below provide an outline for consideration on preparation of specifications. However, the guidelines are by no means prescriptive or exhaustive.

7.1 A Committee of Specialists

- a) It is advisable to engage the services of an ad hoc committee of specialists including a representative of the Procurement Unit to specify schools and colleges requirements. For example, in specifying of laboratory chemicals, the ad hoc committee to develop specifications could be composed of the laboratory technician, the science teacher and a representative of the Procurement Unit.
- b) Where the expertise referred to in sub-section 71 (a) above does not exist in the school or college, an expert may be co-opted from another PE or Government agency. For example, if a school plans to construct a building or buy a bus, the school or college should seek technical assistance from the nearest Ministry of Public Works Mechanical Engineer or Quantity Surveyor/Architect respectively or from a private consultants acquired in accordance with the Request for Proposal procurement method as set out Part VI (c) of the PPD Act.

7.2 Generic Specifications

- 7.2.1 Specifications are to describe functions and performance in order to avoid elements that restrict competition such as brand, trade names, origin, patent, design or type and producer or service provider except where there is no other sufficiently precise or intelligible way to describe the requirements, in which case the phrase “or equivalent” should be included, in accordance with the criteria set out in Section 34 (4) of the PPDA 2005. When a high number of bidders respond, there are good prospects of obtaining a competitive bid to supply.
- 7.2.2 The procurement of textbooks and other instructional materials should follow the guidelines laid down in the Approved List of Primary and Secondary School Textbooks and Other Instructional Materials, issued by the Ministry of Education.

7.3 Scope of Specifications

The specifications should be initiated by users and be prepared in a clear and unambiguous manner. They should cover product descriptions and supporting services such as delivery requirements and the service responsiveness required of a supplier where necessary. The specifications should be perused by the Procurement Unit to ensure that they are clear, complete and based on functional and performance requirements.

7.4 Specifications of Perishable Items

The specifications should state the minimum shelf life that suppliers have to comply with in case of perishable items such as food for the school canteens.

7.5 Specifications for Hazardous Products

The specifications for hazardous products should include instructions on usage and handling of hazardous products in general and laboratory chemicals in particular. The instructions should be inscribed on the product packaging or on fliers, insert leaflets or brochures which should accompany such hazardous products when being delivered. The information should provide for proper usage and handling in a manner to avoid injury. The instructions should cover precautions against mishandling of hazardous materials, brief information promoting safe handling, warning against usage of such product for purposes for which they are not intended, first aid advice in the event of accidents or injury arising from mishandling and any other important information.

7.6 Demonstration and Samples

- a) When it is difficult to specify consumables such as laboratory chemicals and reagents adequately and clearly, potential suppliers may be asked to demonstrate performance of a product. Otherwise the samples should be accompanied by a certificate of conformance to specifications from an authorized laboratory e.g. the Kenya Bureau of Standards.
- b) Where appropriate, items like chemicals and detergents may be subjected to testing by bidders to demonstrate effectiveness or appropriate method of use at the procuring entity's premises.
- c) Once a sample has been approved, it should be kept securely by the procuring entity for future comparison to delivery lots for conformance of sample.

7.7 Educational Equipments' Technical Specifications

Educational equipment specifications generally include but not limited to the following:

- a) Physical characteristics (dimensions, strength, etc);
- b) Design details;
- c) Capacity;
- d) Tolerances;
- e) Materials used;
- f) Processes/ methods involved in production; and
- g) Maintenance requirements.

7.8 Specification of Composition

Specification composition should be generally stated in terms of physical as well as chemical characteristics. These could include things such as paper grammage, type and style of binding (e.g. soft or hard cover books; stapled or spiral bound or sewn or glued), weight, volume, level of purity, density, ingredients, additives etc. This type of specification is often used for raw materials, commodities, foods, liquids and pharmaceuticals for clinics.

7.9 Service Specifications

The specifications of services which are routine in nature such as maintenance, transport, cleaning security, and catering among other services, should be in terms of output which should be measurable and time-bound.

Examples of service specifications

Type of Service	Specification examples
Transport	Deliver the specified goods – <i>without damage or loss</i> to the specified destination within a period not exceeding <i>15 days</i>
Cleaning	Provide high quality cleaning services once a day to all the classrooms, dormitories, staff rooms and dining hall using approved detergents.

7.10 Specifying Testing and Inspections

In addition to specifying performance of an equipment or product for the schools and colleges, it is prudent to specify testing and inspection requirements in order to derive confidence in the delivered items, as follows:

- c) In-process testing and inspection at the manufacturing stage including assessment of quality assurance documentation in place at the end of production or pre-shipment inspection (PSI);
- d) Use of technical expertise in any specific area e.g. engineers, mechanics etc;
- e) Acceptance testing at the time of receipt, installation and /or commissioning; and
- f) The party to meet the cost of testing and inspection is to be explicitly determined in the bid document and the contract.

7.11 National and International Standards

The relevant national or international standards should be used to enhance testing, inspection and suppliers responsiveness.

8.0 CHOICE OF PROCUREMENT METHODS AND STEPS

8.1 Open Tender Method

The preferred procurement method is open tendering as provided in Section 29 of the PPDA 2005. The details of how open tenders should be conducted are contained in Part V of the Act. However, where open tendering is not the appropriate method, the Act provides for use of alternative procurement methods subject to fulfilling the conditions provided under Part VI of the Act.

8.2 Alternative Procurement Methods

Where open tendering is not feasible and justified under Part VI of the PP&D Act 2005 and included in the procurement plan, a procuring entity may use the following alternative procurement methods as provided in the PPD Act and the Regulations:

- a) Restricted tendering;
- b) Direct procurement;
- c) Request for Proposal;
- d) Request for quotation;
- e) Low level procurement; and
- f) Specially permitted procurement.

Further guidance on the use of open and alternative procurement methods can be found in the Public Procurement and Disposal General Manual.

8.3 Review of Selection of Procurement Method other than Open Tender

The tender committee shall review the selection of any procurement method other than open tendering, pursuant to Regulation 10 (2) (h) of the PPD Regulations.

8.4 Framework Contracts

Framework contracts are arrangements whereby one or more companies are contracted to provide services for a period of one or more years at an agreed price among other contract terms. Users draw from the contract as and when the procurements are needed. Framework contracts are particularly suitable for goods and services that are required on a regular basis such as foodstuffs, books, uniforms building materials for regular maintenance and any other items of routine nature. The PPOA will be issuing Guidelines on the procurement of framework contracts.

8.5 Procurement Steps

The following are the generic steps for procurement of goods, services and works.

Table 3: Steps in the Procurement Process

No.	Step Description	Responsibility
1	Prepare procurement plan for each department	Head of Department
2	Consolidate and present the procurement plan containing details of the goods, works or services required to the Head of Procuring Entity for approval	Head of PU
3	Review and if satisfied, approve procurement plan	Head Teacher/Principal
4	Invite quotations from at least 3 suppliers appearing in the register of pre-qualified/known suppliers or invite bids through Open or Restricted Tenders in line with PPD Act and Regulations	Head of Procurement Unit
5	Evaluate bids and recommend for selection of the best in terms of price and quality	Evaluation committee
6	Make award to the lowest evaluated bidder	Tender/ Procurement Committee
7	Communicate award to successful bidders and debrief unsuccessful bidders simultaneously	Head of Procurement Unit
8	Prepare the contract for supply of goods, works or services, and arrange for the signing between the selected supplier and the school	Head of Procurement Unit
9	The written contract shall be signed after an elapse of fourteen days from the date of award notification	Head of Procuring Entity and Supplier
9	Contract Administration	Representatives of Procuring Entity and the Supplier
10	Supply of Goods and services or completion of works as per terms and conditions of contract	Supplier / Contractors
11	Inspection and Verification of revived goods or rendered services or Completed works	Inspection and Acceptance Committee
12	Payment of Suppliers and contractors	Procurement Unit and Accounts Department.
13	Record Keeping	Procurement Unit and all Departments

9.0 URGENT PROCUREMENT

9.1 Introduction

Urgent procurement may be resorted to under exceptional circumstances within the context of the definition of “Urgent Needs” in Part I, Section 3 (1) of the PPD Act.

9.2 Procedures to Minimize Urgent Procurements

9.2.1 Business Continuity Plan as a Criteria for Registration and/or Pre-qualification of Potential Suppliers

- a) Among the criteria for appraising potential suppliers for pre-qualification should be the suppliers’ preparedness to respond to emergencies. The ability will be evidenced by the existence of a business continuity plan which should enable the suppliers to respond to queries or inquiries promptly.
- b) Other criteria may be an established relationship with own suppliers, readiness to allow exchange of proprietary information with the procuring entity, inventory policy that would enable emergency inventory back-up and the firm’s own emergency response procedures.
- c) The prerequisites in this sub-section would be assurance that a supplier would respond appropriately to an emergency procurement when approached by the procuring entity. These criteria should therefore be considered as positive attributes in supplier pre-qualification or selection for existing or potential business.

9.2.2 Procurement of Goods and Services covered by Framework Contracts

Framework contracts should be formulated to cater for procurement of requirements such as stationery and office support consumables to run for durations of one or more years. Framework contracts should be in accordance with guidance issued by the PPOA and should include:

- a) A realistic estimate of the expected quantities to be purchased based on monitoring of past purchases and research of users’ requirements; and
- b) A minimal contractual quantity.

Once the framework contract is in place, prompt acquisition of supplies in case of emergencies and disasters can be done by directly issuing LPO/LSO against existing contracts without resorting to fresh invitations to bid.

9.2.3 Urgent Procurement of Goods and Services not Covered by Framework Contracts

- a) In case an emergency procurement is required involving goods and services not covered by the framework contracts, quotations may be invited through fax or e-mail from at least three known or registered firms in line with the RFQ Procurement method as set out in the PPD Act.
- b) In case the value of the procurement is in excess of the Low Level Procurement threshold, the relevant user department may, in consultation with the in-charge of procurement unit for the school or college and the Head of Procuring Entity, initiate transfer of an emergency requirement from the nearest institution. An item transferred from another institution should be replaced as soon as possible.
- c) The bids so received are to be evaluated by at least two responsible officers appointed by the relevant Head of Department. The committee will select the lowest evaluated price from among the responsive bids.
- d) A comprehensive report shall be prepared by the relevant head of department where the disaster or emergency occurred and forwarded to the head of procuring entity for information.

10.0 SUPPLIER SELECTION

10.1 Suppliers' Approved List

The Procurement Unit shall select suppliers through appraisal of potential suppliers in order to compile and maintain a suppliers' database/list or for award of contracts for supply of specific goods and/or services. The appraisal process is to identify supplier capabilities in order to register or pre-qualify them in line with Regulation 8 (3) or Regulation 23 of the PPD Regulations.

When difficulty is encountered in locating suitable sources of supply for required services, goods and works, a list of registered or pre-qualified suppliers and contractors from other procuring entities dealing in similar supplies may be obtained. All suppliers who have not been debarred by PPOA from participating in procurement proceedings are eligible to compete. The following are the supplier selection procedures:

10.1.1 Registration of Suppliers

Registration of suppliers should be preceded by appraisal of potential suppliers through analysis of responses to questionnaires for registration in accordance with PPDR Regulation 8 (3) (a). Invitations under certain alternative procurement procedures, where appropriate, may be confined to suppliers on the registered list.

10.1.2 Pre-qualification of Suppliers

The pre-qualification of suppliers shall be undertaken as provided in Regulation 23 of the PPDR 2006 to enhance short listing of suppliers for specific procurements. The standard document for pre-qualification shall be used and may be modified as appropriate.

10.1.3 Exclusion of members of Parents and Teachers Association (PTA) in list of Suppliers

The parents who are PTA members and are involved in making procurement related decisions should neither be registered, pre-qualified nor subsequently contracted to supply goods, services or works to the procuring entity in which they are PTA members. Doing so would be tantamount to conflict of interest contrary to section 33 (a) of the PPD Act.

10.2 Sourcing of Offers by Procurement Methods other than Open Tendering

Solicitation for offers through alternative procurement methods pursuant to Part VI of the Public Procurement and Disposal Act 2005 may be carried out from the database of pre-qualified and/or registered suppliers.

11.0 BIDS EVALUATION PROCEDURE

11.1 The Evaluation Criteria

11.1.1 The following factors should be taken into account during bid evaluation:

- a) Suppliers' economic standing;
- b) Suppliers' legal standing – whether authorised to operate as a supplier/vendor of the proposed goods or services as per statutory requirements;
- c) Suppliers' relevant experience;
- d) Suppliers' technical capacity to perform the proposed contract;
- e) Suppliers' responsiveness to the tender technical requirements;
- f) Suppliers' price for delivering the goods or performing the services;
- g) Total cost for delivering the services;
- h) Reliability, integrity and reputation;
- i) Quality, production capacity and flexibility;
- j) Credit terms given by the supplier; and
- k) Delivery period and ability to meet required deadlines.

11.1.2 An objective method of measuring and ascertaining the above criteria has to be devised to enable comparison and differentiation between participating bidders.

11.2 Consistent application of evaluation criteria

No evaluation criteria other than that stated in the bid document shall be used in the evaluation of the tender for responsiveness.

11.3 Recommendation of the Lowest Evaluated Bidder

- a) All other factors being equal, the bid offering the lowest total cost of supply (inclusive of relevant taxes, freight and custom duty, etc) should be accepted, subject to the product conforming to all mandatory technical specifications.
- b) If the award is not made to the lowest bidder, a full and complete statement of the reasons for not awarding the lowest evaluated bidder shall be prepared.
- c) A sample evaluation template is attached in Appendix C of this Manual.

11.4 The Tender Evaluation Committee

The evaluation committee should be composed of a chairman and at least two other members appointed by the Principal or Head Teacher upon recommendation by the Procurement Unit.

11.4.1 For procurement of items with technical specifications, schools and colleges shall establish an evaluation committee for the purposes of carrying out the technical and financial evaluation of the tenders or proposals.

11.4.2 No person shall be appointed to an evaluation committee if such person is a member of the tender committee of the school or college.

11.4.3 A technical committee shall be responsible for:

- a) The technical evaluation of the tenders or proposals received in strict adherence to the compliance and evaluation criteria set out in the tender document; and
- b) Performing the evaluation with all due diligence and within a period of thirty days after the opening of the tenders.

11.4.4 Preliminary Evaluation (Examination)

Upon opening of tenders pursuant to Section 60 of PPD Act, the evaluation committee shall first conduct a preliminary evaluation to determine whether:

- a) The tender has been submitted in the required format;
- b) Any tender security submitted is in the required form, amount and validity period;
- c) The tender has been signed by the person lawfully authorised to do so;
- d) The required number of copies of the tender have been submitted;
- e) The tender is valid for the required period
- f) All the required documents and information have been submitted; and
- g) Any required samples have been submitted.

11.4.5 Technical Evaluation

Upon completion of preliminary evaluation of tenders under Regulation 47 of PPDR, the evaluation committee shall then conduct a technical evaluation by comparing each tender with the technical requirements of the description of goods, works or services in the tender document. Responsive bids are those for which the products meet the mandatory technical requirements as set out in the tender documents. However, minor deviations that do not materially differ from the requirements set out in the tender documents, errors or oversights that can be corrected without affecting the substance of the tender do not render the tender irresponsible.

11.4.6 Financial Evaluation

Upon completion of technical evaluation of tenders under Regulation 49 of PPDR, the evaluation committee shall then conduct a financial evaluation and comparison. This will be to determine the lowest evaluated price from among the technically qualified bidders.

11.4.7 Evaluation Report

An evaluation committee shall prepare a report on the analysis of the tenders received, and final ratings assigned to each tender and submit the report to the tender committee. The evaluation committee report shall include:

- a) Minutes of the opening of the tenders or proposals;

- b) Results of the preliminary evaluation, with reasons why any tenders or proposals were rejected;
- c) Scores awarded by each evaluator for each tender or proposal;
- d) Summary of the relative strengths and weaknesses of each tender or proposal;
- e) Total score for each tender or proposal; and
- f) A recommendation to award the tender to the lowest evaluated bidder or to the person who submitted the proposal with the highest total score in case of an RFP.

Note: The evaluation and comparison shall be done using the procedures and criteria set out in the tender documents and no other criteria shall be used.

12.0 CONTRACT AWARD

- 12.1** Following completion of tender evaluation, an evaluation report shall be prepared in accordance with Regulation 51 (1) of the PPD Regulations, for consideration by the tender committee, which determines who has submitted the successful tender.
- 12.2** The procuring entity should then notify the person submitting the successful tender that his tender has been accepted. At the same time, all other persons who have submitted tenders shall be notified that their tenders were not successful.
- 12.3** The procuring entity shall before expiry of the period during which tenders must remain valid enter into a written contract based on the tender documents with the person submitting the successful tender. The contract will specify the contractual obligations between the bidder and the PE including the expected deliverables from the full performance of the contract.
- 12.4** This written contract must not be entered into until at least 14 days have elapsed from the giving of notification to both the successful and the unsuccessful tenderers.
- 12.5** An unsuccessful tenderer may seek an administrative review of the procurement proceedings in accordance with Part VII of the PPD Act. In this event, the secretary to the Review Board shall notify the procuring entity of the pending review and the suspension of the procurement proceedings.

13.0 CONTRACT ADMINISTRATION

13.1 Purpose of Contract Administration

Managing a contract after its award is important to ensure that a procuring entity gets the value it expects from the money it spends. It also enhances supplier relationship management that guarantees beneficial contractual undertakings and dispute avoidance.

13.2 Appointment of Contract Manager

13.2.1 A contract manager should be appointed to carry out the functions identified in Chapter 9 of the Public Procurement and Disposal General Manual. For significantly large and/or complex services, such as framework contracts that run for more than one year, formal contract management teams might be appointed, under the chair of the contract manager.

13.2.2 Spot (one off) purchases and simple/small framework contracts may not require elaborate contract management, though monitoring performance of these contracts is important.

13.2.3 The procedures for contract management as contained in the General Manual should be followed carefully by schools and colleges.

13.3 Ordering and Receipt Procedures in Schools and Colleges Procurement

13.3.1 Ordering of Goods, Works and Services

Local Purchase/Service orders (LPO/LSO) will be used to order goods from the successful bidders. They will be signed by (AIE holders) the Head of the Institution or Finance Officer (or the equivalent of the Finance Officer e.g. Bursar) and recorded in the vote book as commitments before they are issued to suppliers. Samples of the LPO/LSO are provided in **Appendix I and K**.

13.3.2 Receipt of Goods, Works and Services

Goods received will be verified against the Delivery Note (DN) and LPO/LSO in terms of quality, technical specifications and quantity. For items of a technical nature, an expert will certify the specifications that include quality and acceptable conditions. A Goods Receipt Voucher (**Appendix J**) will be completed to acknowledge receipt.

For services, verification will be made with the user department to confirm that services have been provided as per contract. Where practical, the user department will confirm in writing, and where necessary, provide agreed written deliverables as per contract (issue completion certificates).

13.3.3 Inspection and Acceptance Committee

The Inspection and Acceptance Committee shall carry out its functions in accordance with Regulation 17 of the PPDR 2006. The essence of this Committee's role is to confirm that what is being delivered by the supplier conforms to the specifications of what was ordered by

the organisation. It verifies that the supplies, services or works are proper and in suitable conditions to be accepted for use, storage and distribution.

Schools and colleges inspection and acceptance committees should be composed of a chairman and at least two other members appointed by the Head Teacher/ Principal on the recommendation of the Procurement Unit.

The Inspection and Acceptance Committee shall be convened immediately after delivery of the goods, works or services. The Committee shall:

- a) Inspect and where necessary test the goods received;
- b) Inspect and review the goods, works or services in order to ensure compliance with the terms and specifications of the contract;
- c) Accept or reject, on behalf of the procuring entity, the delivered goods, works or services;
- d) Ensure that the correct quantity has been received;
- e) Ensure that the goods, works or services meet the technical standards defined in the contract;
- f) Ensure that the goods, works or services have been delivered or completed on time, or that any delay has been noted;
- g) Ensure that all required manuals or documentation have been delivered and received; and
- h) Issue interim or completion certificates or goods received notes as appropriate and in accordance with the contract.

13.3.4 Processing Payment for Received Goods and Services

No payment should be made before the Inspection and Verification Certificate is issued. The certificate should also be attached to the payment vouchers.

13.3.5 Records Maintenance and Accounting

Stock control registers will be maintained for items received. The stores ledger is provided in **Appendix M**.

13.3.6 Payment

Goods, works and services received should be paid for promptly in accordance with the procurement plan after all the processes have been completed.

13.3.7 Planning for Prompt Settlement of Supplier's Bills

- a) The schools and colleges should prepare budgets supporting their respective procurement plans. The budget should then be forwarded to the Ministry of Education for approval and inclusion into the master budget for the Ministry.
- b) After Budget approval the school or college's procurement plan should be adjusted to be in line with the budgetary provisions and then be approved by the Head of the procuring entity.
- c) Procurement will subsequently be carried out in accordance with the PPD Act, PPD Regulations, the Public Procurement and Disposal General Manual and this Manual

- d) The goods and services supplied and works performed should be paid for in accordance with the terms, conditions and within the duration set out in the procurement contract. The terms of payment should be matched with the terms of exchequer issues normally released by the Ministry and estimated schedules for other financial remittances such as fees and parents' contributions.
- e) In case of any delays in any of the above remittances, the payment terms should be negotiated with the suppliers and/or contractors and the sources of such funds including the Ministry of Education notified accordingly.
- f) The Ministry of Education should be given details of re-scheduled payments and follow-up made regularly for release of cash to pay the suppliers and/or contractors' bills.
- g) In the process of follow-up of release of funds, it is important to keep in mind the supplier's right under the PPD Act to claim for interest accruing from payment delayed for durations longer than that stipulated in the contract. Delayed payment should be avoided since this may jeopardize relations with the supplier and affect his business adversely and interest payments will eventually increase the financial burden to the school or college.

13.3.8 Summary of Steps for Ordering and Receiving Goods by Schools and Colleges

The following steps will be observed when ordering and receipting of goods and services:

Table 6: Process Steps in Ordering and Receiving goods and Services

No.	Step Description	Responsibility
1	Raise an LPO/LSO in 4 copies	Procurement Unit
2	Review LPO/LSO and if satisfied, approve it.	Principal/Head Teacher
3	Issue original and duplicate LPO/LSO to supplier, third copy to accounts file and retain book copy. Ensure supplier signs duplicate to accept order, and returns it to school	Procurement unit
4	Receive goods, verify against DN and LPO in terms of quantity, technical specifications and quality. For items of a technical nature, get an expert to certify specifications, quality and condition. For service, verify with user that service has been provided per contract. Sign DN/report and complete a GRV	In-charge stores/ Inspection and Acceptance Committee
5	Confirm correctness of goods/service receipt against LPO/LSO. Raise PV and reference supplier invoice. Attach the invoice, LPO/LSO, Receipt Voucher and other relevant supporting document.	Inspection and Acceptance Committee
6	Review PV and supporting documents and if satisfied, approve payment	Principal/ Head Teacher
7	Observe payment processing procedures in the School Financial Management Procedures Manual.	Person in-charge of finance

13.3.9 Supplies and Fixed Assets Control

- a) Schools and Colleges should maintain stores registers for recording receipt and issuance of supplies. One register should be for consumables and another for items of a permanent nature whose movements need to be tracked.
- b) Fixed assets should be tagged on receipt and entered in the fixed assets' register for control purpose. The register for fixed assets will show asset name, unique tag number, location and condition.
- c) Regular physical verification of both fixed assets and stores will be conducted (stock taking). Investigations of missing items, if any, will be conducted immediately and necessary action taken against those responsible for the loss.

13.3.10 Quarterly Management Reports

The Procurement Unit should maintain records for monitoring procurement and updating management on the procurement status. The monitoring report should show planned versus actual procurement performance. The report should be analyzed into goods, works and service.

13.4 Procurement Records Management

PUs shall maintain full and comprehensive records of procurement proceedings and contracts management in line with the guidelines in the Procurement Records Management Procedures Manual. This Manual may be accessed on the PPOA website (www.ppoa.go.ke) and the guidelines therein should be studied carefully and adhered to.

14.0 SPECIFIC ISSUES ON SCHOOLS & COLLEGES PROCUREMENT

14.1 Procurement of Works

Selection of some parents to provide Quantity Surveyors or Architectural services is prevalent in schools and colleges. Such practices, though well meaning, are tantamount to conflict of interest contrary to Section 43 of the PPD Act and should not be encouraged.

14.2 Use of Funds from CDF

In case CDF provides funds for use by a school or a college, the procurement procedures should be as set out in the Act, Regulations and this Manual.

14.3 Capacity Deficiency

Appointment of the same committee members to serve in several committees on procurement process management contrary to Section 26 (3) (c) should be avoided wherever possible. The section states that “*All procurements shall be handled by different officers in respect of procurement initiation, processing and receipt of goods, works and services*”. The schools and colleges experiencing challenges in formations of procurement process support committees in line with provisions of the Act and the Regulations should consult PPOA.

14.4 Procurement of Specialised Products with Limited Local Sources of Supply

- 14.4.1 Items with limited local sources of supply may be obtained through International Quotations or International Open or Restricted Tenders depending on the preferred delivery time period and relevant threshold stipulated in the Threshold Matrix in the First Schedule of the PPDR.
- 14.4.2 An international tender has no lower limit and the upper limit is as provided for in the budget. However for quotations, though there is no lower limit, the upper limits vary according to the class of a procuring entity according to the Threshold Matrix.
- 14.4.3 However, to minimize the cost of frequent urgent and fragmented international orders which may be in small quantities and/or of low value, items should be consolidated in order to realize economies of scale.

14.5 Procurement of Books in the ‘Orange Book’

The Orange Book compiled by the Ministry of Education provides titles of approved books which should be procured competitively since such books are sold by several distributors. Even though the publisher’s prices may be the same, the selection of the suppliers should be based on capability and responsiveness to the terms and conditions of the offers invited by the procurement entity which forms the basis for evaluation in line with Regulation 66 of the PPD Act and the preliminary evaluation requirements set out in Regulation 47 (1) in the PPD Regulation as well as all other

criteria in the bid document. The evaluation criteria should include the bid price comparison in order to select the lowest evaluated bidder(s).

14.6 Centralized Procurements at the Ministry Headquarters

Centralization of procurement of some common supplies by the Ministry Headquarters is within the policy of the Ministry to realize economies of scale and save costs that arise from fragmented and decentralised procurements by individual schools and colleges. Such policies should be adhered to until otherwise reviewed by the Accounting Officer and the Ministry of Education.

14.7 Quality Control Considerations

- 14.7.1 Quality issues should start from a requirement that a supplier should demonstrate that s/he has established quality assurance systems in their business. At a minimum, the business should be approved by the relevant Kenya quality assurance body e.g. Kenya Bureau of Standards as appropriate. Pre-qualification as well as award of contract to any supplier must be premised on an assurance for conformance with specified product quality prior to delivery.
- 14.7.2 Process quality control through collaboration with key suppliers as a defect avoidance strategy may be a suitable option. Here the procuring entities ensure that documented quality control steps are followed in the course of product manufacturing.
- 14.7.3 Alternatively, the supply contract should stipulate that pre-shipment inspection be carried out by an approved pre-shipment inspection company and a certificate to that effect issued. The certificate should accompany the goods.
- 14.7.4 Past performance evaluation criteria with regard to quality systems and compliance should be one of the evaluation criteria to be included in the bidding document.
- 14.7.5 On receipt, inspection by sample testing by an independent body or another alternative quality control procedure may be adopted.
- 14.7.6 The suppliers should be made aware in the bid documents of the preferred option for confirming and demonstrating adherence to quality standards and how the risks and responsibilities will be shared between the procuring entity and the suppliers.
- 14.7.7 Suppliers should also be made aware through the bid documents of any contractual remedies the procuring entity may resort to in case of delivery with hidden defects or non compliance to specifications that may be discovered at any stage of use or distribution of educational products.

14.8 Procurement of Donor/Consortium Funded Products or Services

- 14.8.1 Donor/consortium funded products or services should be procured in accordance with section (6) and (7) of the PPD Act 2005 unless the procurement provisions in such agreement stipulates an alternative procedure to be used.

14.8.2 The quantities negotiated with the donors should be form part of the normal projections made for normal stock replenishment according to the Inventory Plans, Procurement Plan and the Budgets to avoid overstocking and eventual deterioration of goods in stock.

14.9 Procurement of Specialized Educational Equipment

14.9.1 Specifications should be drawn by an appropriate specialist who should take into account technology and life cycle costing which cover the total cost of acquisition, maintenance and repair.

14.9.2 Warranty covering duration not less than three years should be included in the specifications. The detailed guidelines on equipment specifications area provided in Section 8 of this Manual.

14.10 Low Value Procurement

The prevalence in splitting procurement contrary to Section 30 of the PPDA through application of Low Value Procurement is not allowed. The Low Value Procurement procedure should be carried out strictly within the provisions of Regulation 63 of the PPD Regulations and the Threshold Matrix.

15.0 ENVIRONMENTAL FACTORS IN PROCUREMENT

15.1 Products with chemical composition should be specified by taking into account the product life-cycle approach which covers the economic and environmental performance of a product through-out its life cycle, namely production, distribution, use and final disposal. Care must be taken to ensure that guidelines issued by National Environmental Management Authority (NEMA) are followed.

15.2 The following examples present a check list of essential attributes for chemical products including laboratory reagents:

Table 7: Checklist of Essential Attributes for Chemical products

Chemical products likely to be bought for school or college laboratories	
Substitution	Possibility to satisfy the need without the use of a chemical or with a chemical that has a lower environmental impact.
Composition & concentration	Extent of compatibility with the required application in terms of composition, concentration, and expiry date.
Product labelling	Conformity with requirements of international standards and regional regulations.
Handling and use instructions	Whether the supplier provides sufficient information on handling and use including the optimum dosage for effective utilization.
Hazard factor	The comparative measure of the toxicity, flammability, corrosiveness and explosive nature of the chemical (the hazard factor) compared to others.
Safety	Availability of Materials Safety Data Sheet (MSDA) that covers potential hazards that may arise during handling and use of the chemical. It should state the necessary steps to be taken to avoid the occurrence of hazard or accidents.
Bio degradability	The degree and rapidity of degradability by micro-organisms in the natural environment. The faster the chemical degrades the lower is its exposure potential. Persistent chemicals (e.g., those that contain heavy metal such as cyanide, mercury, chrome) are to be avoided as much as possible.
Packaging	Extent to which packaging optimally satisfies the requirements for transportation and the materials handling and bio-degradability after packaging is disposed off.

15.3 Usage and Handling of Hazardous Products

The usage and handling instructions that accompany hazardous products should be clearly written by the suppliers and should be adhered to by users to avoid injury.

16.0 MANAGEMENT OF INVENTORY

16.1 Stores Coding and Classification

16.1.1 Coding

Stores codes are suitable for identifying items to minimize ambiguity and misinterpretations that arise when items are only referred to by descriptive titles. The codes will also be used for location of stores where fixed and random location systems are applicable.

16.1.2 Coding Procedures

- a) The alpha-numeric structured coding will be used until otherwise directed. A series of defined classes and sub-groups are determined and incorporated in the Stores Catalogues containing stock items code number.
- b) A stores catalogue contains the items that have hitherto been approved for stock holding and will be used by user departments for description of requirements on the Counter Requisition and Issue Voucher.
- c) Users should requisition for items in the catalogue unless such items are not suitable for the intended purposes. This is to maintain an optimum level of inventory variety and prevent proliferation of stock keeping units (SKU).
- d) For efficient stores location, the code numbers will be used to enable prompt order picking when processing stores requisitions.
- e) Numeric coding structure will be used to enhance efficient inventory automation as shown in the following example.

16.1.3 Example: Item that can be broken down as below

A	Product Group	Ruler
A.01	Product Sub-Group	30 cm
A.01.01	Individual Product	Plastic
A.01.01.01	1 st Variant of Individual Product	Clear material
A.01.01.02	2 nd Variant of Individual Product	Coloured material

16.2 Stock Replenishment

16.2.1 Replenishment

- a) Stock replenishment is part of inventory and distribution.
- b) Inventory replenishment operations are fundamental to achieving the desired service level and to meet the immediate day-to-day requirements taking into account the changes to value and level of inventory which might have substantial impact on the overall operation of procuring entity.
- c) The foregoing notwithstanding, replenishment of inventory should take cognizance of need to avoid tying working capital in high inventory since holding excess inventory can lead to obsolescence of such stocks.

16.2.2 Inventory replenishment methods

The following are some of the commonly used replenishment methods which would apply for different categories of requirements determined in line with inventory categorization in the stores catalogue:

- a) Re-order Level System (fixed order quantity, variable order intervals);
- b) Periodic Review System (fixed order interval, variable order quantity);
- c) Demand Driven Lean Supply Systems (orders placed in the precise quantity and time required for a specific projects or assignments); and
- d) Economic Order Quantity (order what is economical to produce or deliver).

NB: See alternative strategies under 16.2.9 and 16.2.10 below.

16.2.3 Re-order Level System-(Fixed Quantity, Variable Interval)

- a) The decision to re-order will be triggered when the level of physical stock plus inventory already on order falls to an established re-order level.
- b) The re-order level is calculated by adding the best estimate of demand to cover the lead time duration to safety stock quantity.
- c) Re-order Level System calculation is to be done by applying the following formula where manual operating systems are in use by applying the following formula:

$$ROL = (Rd \times L) + S$$

where: Rd = Rate of demand/usage (per day/per week)
 L= lead time (in days/week)
 S = safety level of stock

Example:

For instance the ROL, where the rate of demand is 100 units per week, the lead time is 3 weeks and safety stock is 170 units will be:

(Demand/usage rate x 3 weeks) (lead time) + 170 (safety stock)

$$ROL = 100 \times 3 + 170 = 400 \text{ units}$$

16.2.4 Periodic Review Systems

- a) Ordering is for fixed quantity at a fixed period cycle, e.g. weekly or monthly. On the average the amount ordered will be equal to the demand over the review period. The longer the review period the larger the order size. The system will apply in categories with small volumes of requirements.
- b) The re-order quantity will be based on the following formula:-

$$\text{Order Size} = (\text{Demand over the review interval} \times \text{lead time}) - (\text{Actual stock}) - (\text{pipeline stock}) + (\text{safety stock})$$

16.2.4 Dependent Demands

Dependent Demands fall under the non-stock items categories where the demand is based on a specific activity or project or non recurrent activity.

16.2.6 How Much To Order

- a) Order quantities will be determined with economy in view, that is by taking into account:
 - i. Cost of placing an order;
 - ii. Price discount costs, i.e. where supplier may impose extra costs on small order;
 - iii. Stock out costs;
 - iv. Costs of tying working capital in inventory;
 - v. Storage costs; and
 - vi. Obsolescence costs.
- b) Computation of the most economic order quantity

16.2.7 Economic Order Quantity

- a) To balance the above stock holding and the acquisition costs mentioned under subsection 16.2.6 above an economic order quantity (EOQ) should be computed by applying the following formula:

$$\text{EOQ} = \sqrt{\frac{2C_0 D}{P_i}}$$

Where:

EOQ = The Economic Order Quantity

C_0 = The cost per order (including administrative and communication costs)

D = The demand (Quantity required) over the period in units – meters, litres, millilitres etc

P = The purchase cost per unit (including price, transported)

I = The inventory carrying cost (including the financial and physical costs of inventory, expressed as a percentage of the average value of inventory

NB: For the inventory carrying cost, it advised that the procuring entities should use 20% of the average value of inventory

b) The EOQ assumptions

The EOQ formula is based on the following assumption:

- i. demand for requirements is stable;
- ii. existence of a fixed and identifiable ordering cost; and
- iii. identifiable stock out cost.

These assumptions vary considerably. However the computation would provide approximate quantities to work with.

Secondly it is inevitable that procuring entities ensure that costs which form the basis for the EOQ computation are done and regularly updated.

c) Automated computation of EOQ

For the sake of accuracy and speed of computation of the EOQ, it's advisable that procuring entities computerize their inventory management in line with the guidelines in section 16.2.11 of this Manual.

16.2.8 Determining the Desired Level of Safety Stock

- a) Variability of both lead time and rate of demand cause either lower or higher than average level of stock when the next order arrives. Safety stock level determination may however be inevitable to limit the risk of stock outs.
- b) Safety level (that is the average amount that remains in stock at the time fresh deliveries arrive) is to be determined by applying the following formula:

$$\text{Average Safety Level} = \text{Maximum Demand} - \{ \text{Average Usage over the Review Interval} + \text{Lead Time} \}$$

16.2.9 Managing Lead Time

- a) Orders that arrive too early or too late result in either excessive inventory or stock-out. However, whereas short lead-times reduce the length of forecast, long lead-times result in increase of safety stock, which ironically may result in overstocking, with all the attendant problems.
- b) To ensure that required customer service levels are met, it is inevitable that internal systems are in place to manage lead time.

16.2.10 Vendor Managed Inventory (VMI)

- a) Procuring entities should minimise overstocking of educational products in order to avoid expiry and loss of funds by adopting VMI concepts for managing stocks.
- b) In VMI, the vendor has visibility of stocks of his products within the inventory system of the procuring entity and has the authority and responsibility to manage the inventory level and replenish them at his own accord to avoid stock-outs.

- c) This proactive involvement of the vendor requires drawing of a contract that clearly spells out duties and responsibilities for each party to avoid confusion and blame games. Needless to say, both the vendor and supplier need high degree of competence for them to successfully benefit from VMI relationships.

16.2.11 Automation of Inventory Management

- a) For most big organisations with large inventories of educational supplies, it is not efficient to manage and operate them with manual systems. Computerisation and automation of inventory management systems has proven beneficial in improving efficiencies of managing large inventories.
- b) Computerisation gives a number of demonstrated benefits including ability to produce stock position instantaneously, automatic notification of stock levels for all the product lines in the inventory, flagging of products that are about to expire, preparing automated goods receipt notes and goods dispatch notes and schedules, showing product locations within the warehouse, computing reorder quantities and preparing re-order schedules etc.
- c) Given the above benefits, computerisation and automation of inventory management is a desirable capability that operators of large inventory systems should aspire to acquire. However there are a number of challenges to acquiring, implementing and maintaining a fully functioning automated inventory management system. These include high investment costs for the project, the need for training or recruiting skilled systems operators, need for data and systems discipline, long project implementation time lines, need for change of working attitudes and styles etc. These challenges have often deterred some organisations from fully embracing computerisation and automation of their inventories.
- d) There are many successfully implemented and operated automated inventory management systems in Kenya today, both in the private and public sectors for educational supplies. A good starting point for anyone interested in this matter is to make a learning visit to a few of such organisations and familiarise with their success.
- e) In Kenya today, there are a number of ICT vendors who supply inventory automation systems that are suitable for both small and large inventory operators. These vendors should also be visited for demonstration and education on how automated inventory systems work.
- f) Based on the learning acquired, the procuring entity should decide at what stage it could embark on the inventory automation process.

16.3 Receipts of Goods

16.3.1 Preparation of planned delivery schedule

On receipt of a copy of the purchase order and an acknowledgement of receipt of the same by the supplier, the Stores in-Charge will prepare a planned delivery schedule. The schedule is inevitable as it enables the stores personnel to arrange for storage, handling and to give feedback to the users of the delivery status.

16.3.2 Preparation of Goods Received Note

- a) After delivery has been checked to ensure that the correct item and quantity has been delivered as per the terms of a contract, a Goods Received Note (GRN) will be raised.
- b) The GRN will show the item code number, the items received, the order reference number, the quantity, unit of issues, the supplier's name, the value and user or stock location.

16.3.3 Inspection

- a) Inspection of goods received shall be carried out by the Inspection and Acceptance Committee and a certificate to that effect attached to the GRN. This can be a standing committee with varying membership that includes teachers assigned to stores receipt duties.
- b) Whenever a member of Inspection Committee is engaged elsewhere such as being in the class or attending an important staff meeting, the designated Duty Officer (Teacher/Lecturer) should be included in the Committee to act on behalf of the unavailable member. This will prevent unnecessary delays in the receipt and inspection exercise.
- c) Where feasible and to minimize inconveniences to suppliers and the members of the Committee, the suppliers should be instructed to make deliveries at specified days or times of the day with minimal interruptions to the schools' or colleges' personnel and programs.
- d) In case of goods delivered by a transport company, in which case any delays of the delivering vehicles may result in waiting charges being levied on the procuring entity, the inspection may be carried out later. In this case the GRN must be endorsed "Certified Received [Quantity and Quality Awaiting Inspection]" and the supplier notified accordingly.
- e) Following issuance of the GRN and completion of inspection, the delivered goods will be moved to a storage location which will either be Fixed or Random as the case may be. The stores record will be posted accordingly, stock value calculated and entry made in the stock value column of the ledger.
- f) A copy of the GRN will be sent to the buying office for updating the Outstanding Purchase Order Record.

16.3.4 Certification of Invoices for Payment

The suppliers' invoice certified by the Procurement Officer (Stores) and accompanied with a copy of GRN, purchase order, inspection certificate will be sent to the Accounts Section for payment after the goods have been received. The Head of Procurement should retain a copy for the procurement file.

16.3.4 Handling and Storage of Supplies

The procuring entity shall develop and apply procedures for handling and storage of all educational supplies and equipment in line with best practice. The overall objective of such procedures and their application is to ensure handling and storage of educational supplies and equipment are kept safe and secure free from any damage or deterioration.

16.4 Requisitioning and Issuance of Stores

16.4.1 Requisitioning Procedures

All requests to purchase and/or for issuance of goods from stock shall be covered by the Requisition and Issue Voucher (RIV) Form which is the official document designed for this purpose and is pre-numbered for monitoring purposes.

- a) All requests for acquisition or issuance of educational requirements shall be made by the user departments and approved in accordance with the approving authority concerned as prescribed by each institution for effecting internal controls.
- b) The approving officers are expected to exercise their best judgment and observe prudence in reviewing the requisition taking into consideration implications or consequences of their decisions. The justification or rationale for the need must be clearly established.
- c) In case of non-stock requirements meant for procurement, the RIV shall contain all relevant data necessary for making a rational procurement decision such as quality, quantity, evidenced availability of funds and be approved accordingly. It will include:
 - i. Budgetary provision reference by the Accounts or Finance Department. An absence of the budget reference number will mean that the item is not budgeted for and would therefore require senior management level approval. Incomplete RIVs shall not be processed and will be returned to the requisitioner.
 - ii. Specifications that are generic in nature and do not refer to any brand name unless this has been earlier agreed upon by the parties concerned for the purpose of standardization or continuity of an on-going activity. Equivalent products should be allowed.
 - iii. RIV that states the date the request is required. However, the requisitioner should give Procurement Unit ample time to process the procurement unless in an emergency.

16.4.2 Issuing Procedures

a) Verification of Requisition by Procurement Officer (Stores)

Based on the identified needs specified in the requisition, the Stores in-Charge will verify the requisition to ensure that it is duly authorized by relevant head of department/ section and that the requisition is properly completed.

b) Issuance of products in line with First In First Out (FIFO) principle

All issuance procedures must, as far as practicable, observe the First-in-First Out (FIFO) principle. Products with shorter shelf life must also be issued first ahead of those with longer shelf life even if this violates the FIFO principle to reduce chances of expiries of products while still in the store.

c) Collection of issued items from the Stores

Once the order picking is completed the requisitioner will be notified to collect the items from the issuing officer. It is of paramount importance that the collecting official provides proof of collection authorization from the head of department/section.

d) Adjusting Stock Records

After issuance the transactions will be entered into the inventory records and the balances

reduced accurately and promptly.

17.0 PROCUREMENT PERFORMANCE EVALUATION AND MEASUREMENT

17.1 The purpose of performance evaluation and measurement of procurement

Performance evaluation and measurement of procurement as a function is a good practice undertaken to ensure that procurement services are continuously improved.

17.2 Key Evaluation Indicators

Performance evaluation and measurement should focus on understanding the extent to which internal customers are satisfied; understanding different factors that may be causing problems; focusing attention on priority areas when seeking solutions to problems and identifying new approaches to improving performance.

17.3 Performance measures and targets setting

- a) The realistic and measurable targets for key performance indicators are to be developed by the Head of the Procurement Unit.
- b) The targets will be reviewed from time to time whenever circumstances warrant such reviews.
- c) The areas to be covered when measuring the procurement units performance should be based on internal customer satisfaction in terms of:
 - i. timeliness;
 - ii. availability of supplies in terms of supply range, quality, continuity of supply;
 - iii. reduction of lead time in the procurement process;
 - iv. quality in terms of appropriateness to requirements;
 - v. cost reduction and cost avoidance; and
 - vi. customer service in terms of provision of information and technical support to customers and problem solving.

17.4 Evaluating and Measuring Suppliers' Performance

- a) The supplier's performance may have a positive or negative impact on the Procurement Unit's overall performance and the same must therefore be incorporated into the performance management programme.
- b) Performance gaps, if identified, will be communicated to the supplier(s) as feedback in order to improve performance by addressing and eliminating weaknesses. The eventual result should aim at having capable and reliable suppliers.
- c) Suppliers who have not improved on their performance should be removed from the register of suppliers. Where a supplier seriously breaches a procurement contract, the PE should make a recommendation to PPOA that the Director General of PPOA should exercise his powers under

section 114 of the PPDA 2005 to debar such a supplier from future participation in procurement proceedings.

- d) The PPOA will maintain and make available to the public entities a list of entities/persons debarred from participating in procurement proceedings. PEs should not allow such persons or companies to put forward offers.

18.0 DISPOSALS OF STORES AND EQUIPMENT

18.1 Compliance with PPD Act and PPD Regulations

Disposal of Stores and Equipment that have been rendered unserviceable, obsolete and surplus shall be carried out as set in the provisions of Part X of the PPDA 2005 and the Regulations 92 and 93 of the PPDR 2006.

18.2 Obsolete, Unserviceable and Surplus Stores, Plant and Equipment

In schools and colleges, stores, plant and equipment can be disposed through sale by open tender, auction, and transfer to other public institution or trade-in as recommended by the Disposal Committee and approved by the Principal or Head Teacher.

18.3 Determination of Reserve Price

Evaluation should be carried out to determine a realistic reserve price to ensure that the PEs secure value for money.

Reserves prices should not be fixed so high to impede prompt disposal of such stores or equipment. However the stores and equipment should fetch the desired proceeds that enable economic utilization of storage spaces that such items occupied due to deferred disposal caused by unattainable high reserve prices

Technical assistance should be sought where necessary to determine the obsolescence, unserviceability or surplus status of the stores and/or equipment to justify disposal and fixing of realistic reserve prices.

18.4 Disposal Plan

18.4.1 It is of importance that a Disposal Plan be prepared by the PE as required in the PPDR regulation 7 (3) (w) and to be in tandem with the annual stocktaking program, procurement plan and the budget for disposals that would entail direct replacement.

18.4.2 The Disposal Plan should consolidate departmental disposal projections to reduce administrative costs. The accumulation should however not encourage undue delay in disposal of items and should be within the Disposal Committees frequency of meetings of at least once every quarter as stated in Regulation 92 (3) the PPDR.

18.5 Schools and Colleges Disposal Committees

18.5.1 Schools and colleges shall establish a disposal committee comprising of at least 4 members as follows:

- a) An officer in charge of Finance;
- b) The Head of Procurement Unit who shall be secretary;

- c) The head of the Accounting Department; and
- d) Two heads of two end user departments.

18.5.2 The committee shall select a chairman from among its members.

18.5.3 The disposal committee will first meet within fourteen days of its appointment and subsequently at least once in every quarter.

18.6 Disposal Certificate

After implementation of the approved disposal method, a disposal certificate should be prepared and signed by members of disposal committee.

19.0 REVISION OF THIS MANUAL

- 19.1 This Manual will be amended from time to time by PPOA to embrace emerging procurement best practices and major policy changes.
- 19.2 Any user of this Manual who has suggestions on areas of this Manual which may need to be reviewed should notify the Head of Procuring Entity.
- 19.3 The Head of Procuring Entity should on a regular basis analyze emerging issues in the course of the implementation of this Manual and notify PPOA of any areas which may be considered for review.
- 19.4 Any proposed recommendations for revision to this Manual will then be compiled and approved by the PPOA following necessary consultations.

20.0 APPENDICES

- Appendix A: Stock Replenishment Requisition Form
- Appendix B: Procurement Plan Template
- Appendix C: Sample Bid Evaluation Templates for Text Books
- Appendix D: Sample Supplier Appraisal /Audit Questionnaire
- Appendix E: Tender /Quotation Opening Form
- Appendix F: Price Comparison Schedule (Major Procurements
- Appendix G: Price Comparison Schedule (Simple Procurements)
- Appendix H: Request for Quotation
- Appendix I: Local Purchase Order
- Appendix J: Goods Receipt Voucher
- Appendix K: Local Service Order
- Appendix L: Stores Ledger
- Appendix M: Threshold Governing Procurement Methods

Note: All the Standard procurement documents are contained in the Third Schedule of the PPD Regulations and can be obtained from PPOA for customization.

APPENDIX A: STOCK REPLENISHMENT REQUISITION FORM

No.....

To: Chief Procurement Officer

Storehouse

Item No	Item Code No	Item Description	Unit of Issue	Re-Order Qty	Est. Unit Price	Estimated Amount	Monthly Usage Rate	Stock Balance	Procurement Action

Prepared by.....Designation..... Signed.....Date.....

Checked by..... DesignationSigned..... Date.....

Approved byDesignation Signed..... Date.....

APPENDIX B: PROCUREMENT PLAN TEMPLATE

PART I: PRELIMINARY DOCUMENTATION

Ref No	Item	Priority	No of Units	Unit Price/ Cost	Total Cost	Procurement Method	Single/ Multi-Year	Aggregation	Budget Availability	Source of Funds
1.1	Planned									
1.1	Actual									
2.1	Planned									
2.1	Actual									

PART II: THE PROCUREMENT PROCESS TIMEFRAME

Ref No	Date Procurement Process must Start	Pre-Qualification	Bid documents preparation	Invitation of Bid	Bid Opening	Tender/ Proc Committee/ Award Notification	Contract Signed	Delivery/ Completion
1.1	Planned							
1.1	Actual							
2.1	Planned							
2.1	Actual							

APPENDIX C: SAMPLE BIDS EVALUATION TEMPLATE FOR TEXT BOOKS

TEXT BOOKS

ITEM NO. |

PRODUCT DESCRIPTION

1. Product Evaluation				
	Evaluation Criteria			
1	Authors Name			
2	Title of the book			
3	Country of Origin			
4	Sample Provided matches tender description			
4	Book Serial No. clearly shown			
6	Quality of the print /binding			

% Score

Weighted Score

4. RECOMMENDATION

4. EVALUATION TEAM

Name

Designation Signature Date

- 1
- 2
- 3
- 4

APPENDIX D: SAMPLE SUPPLIER APPRAISAL/ AUDIT QUESTIONNAIRE

NB: This form needs to be reviewed and simplified from time to time to address characteristics of various purchases and size of the suppliers providing services to the secondary school or college.

A	COMPANY CONTACT DATA		RATING
1	Company Name		
2	Nature of business		
3	Address		
4	Office telephone No.		
4	Office fax No		
6	Plant/Factory		
	B GENERAL INFORMATION AND STRATEGIC CONSIDERATIONS		
1	Date established		
2	Types of activities		
3	Owners etc		
	C STRATEGIC CONSIDERATION		
1	Strategic Vision		
2	Service charter		
3	Business Plan or programme		
4	Short-term objectives		
4	Medium-term objectives		
6	Long-term objectives		
7	Has corporate strategy communicated to staff etc.		
	D FINANCIAL ANALYSIS		
	D1. General financial information		
1.	What is the company's financial year?		
2.	What has been the companies turnover during the last 4 financial years		
3.	Are the company's financial statements given and attached to this audit?		
4.	What are the company's financial objectives?		
	D2 Financial Ratio		
	D2.1 Profitability		
1.	What is gross profit as a percentage of turnover	$\frac{\text{Gross profit} \times 100}{\text{Turnover}}$	
2.	What is the Net profit as a percentage of turnover	$\frac{\text{Net profit} \times 100}{\text{Turnover}}$	
3.	What is turnover as a percentage of capital employed?	$\frac{\text{Turnover} \times 100}{\text{Capital employed}}$	
	D 2.2: Solvency		
1.	What is the current ratio?	$\frac{\text{Current Assets}}{\text{Current liabilities}}$	
2.	What is acid ratio?	$\frac{\text{Current asset} - \text{stock}}{\text{Current Liability}}$	
3.	What it the gearing ratio?	$\frac{\text{Long tern loans} \times 100}{\text{Capital employed}}$	

4.	What is stock turnover?	$\frac{\text{Cost of sales}}{\text{Average stocks}}$	
4.	What is the debtors' collection period?	$\frac{\text{Debtors} \times 360}{\text{Turnover}}$	
6	Cost control		
	Does the company undertake regular review of the cost and cost factors?		
1.	What cost factors are reviewed? Etc		
E	PRODUCT DEVELOPMENT/R & D		
1	E1 General information on product development R & D		
	Is there a department or team in charge of suggesting new products ideas or improvement of existing product? Give details etc.		
2	E2: Design Control		
	Is there an established procedure for verifying design to ensure that the relevant technical specifications are met?		
	How are designs requirements identified, documented and reviewed for adequacy?		
F	PROCUREMENT AND GOODS INWARD		
1	Procurement & Supply Management		
2.	What are the company's total expenditure in Procurement of goods and services in the last financial year		
2	Does the company have a Procurement policy		
3	Is there Procurement Manual outlining relevant procedures?		
G	PRODUCTION		
1.	Is there a documented production procedures		
2.	What are the types of production machinery		
3.	What manufacturing system and procedures are in place for production processes		
4.	Give an account of in process inspection and quality control		
4.	What procedure is available for handling, storing and preservation of finished products?		
6.	Is there packing and shipping procedures? Explain.		
H	SALES AND CUSTOMER SUPPORT		
	General sales information		
1	Provide the following information		
2	Sales turnover		
3	Competitions		
4	Main market segments		
4	Sales infrastructure and arrangements		
6	After sales services and customer support		
I	QUALITY MANAGEMENT SYSTEM		
1.	Give an account of the following		
2	Continuous improvement quality system in place		
3	Quality certification and accreditation		
4	Documentation control		
4	Does the company have laboratory facilities for testing products?		
6	How are these facilities allocated to different product? Etc.		
7	Is there an environmental policy? Give details		
J	GOVERNANCE ISSUES		
1	What is social policy practice in force?		
2.	Is there an ethics policy and practices guideline in place?		

APPENDIX E: TENDERS/ QUOTATIONS OPENING FORM

TENDER /REQUEST FOR PROPOSALS (RFP)//EXPRESSIONS OF INTEREST/ QUOTATION

NO..... (Delete as appropriate)

FOR SUPPLY OF.....

Bidders identification			Prices as read out		Modification or Comments
Names	Address	Country/ Town	Currency(ies)	Amount	

Names of Opening Committee members

Name.....Designation.....Signature.....

Name.....Designation.....Signature.....

Name.....Designation.....Signature

Date..... Time

APPENDIX F: PRICE COMPARISON SCHEDULE (MAJOR PROCUREMENTS)

TENDER/RFP/QUOTATION NO.....FOR SUPPLY OF.....

ITEM NO.....DESCRIPTION.....QUANTITY.....

Bidders No	Unit Price as read out	Corrections		Corrected Bid Prices	Unconditional Discount		Corrected/ Discounted Bid Unit Price	Amount {Qty x Coln.(h)}
		Computation Error (Amount)	Provisional Sum	(e)	%	Amount(s)		
(a)	(b)	(c)	(d)	(e)=(b)+/ (c)-(d)	(f)	(g)	(h)=(e)-(g)	

Scheduled by.....Signature.....Date.....

Checked by.....Signature.....Date.....

APPENDIX G: PRICE COMPARISON SCHEDULE (SIMPLE PROCUREMENTS)

TENDER/RFP/QUOTATION NO.....FOR SUPPLY OF.....

Item No	Item Description	Qty	Bidder No1		Bidder No2		Bidder No3		Bidder No4		Bidder No4	
			Net Price	Amt	Net Price	Am						

Scheduled by.....Signature.....Date.....

Checked by.....Signature.....Date.....

APPENDIX H: REQUEST FOR QUOTATION

To: Supplier’s name and address

From: Supplier’s name and address of Institution

Quotation No

Date

The School named above requests that you submit a quotation for the provision of the under-listed goods, works or services. The quotations must be submitted in the form and manner specified below:

The quotations must be supplied to the school within (indicate number of days 7-14)

Incomplete quotations or those received after the deadline will automatically be rejected

This request for quotation is not an order. An official order will be issued to the selected supplier immediately the selection process is completed

Item No.	Item description	Unit of issue	Quantity required	To be completed by the supplier					
				Unit price	Days to deliver	Discount	Brand Name	Country of origin	Remarks

Supplier’s signature _____ Date: _____

For Official Use

Opened by..... Designation _____ Date /Time _____

Checked by..... Designation _____ Date/Time _____

*ORIGINAL: TO SUPPLIER
DUPLICATE
TRIPLICATE*

APPENDIX I: LOCAL PURCHASE ORDER

NAME OF EDUCATION INSTITUTION: _____

To..... *LPO No.*

..... *Date*.....

*Please deliver the following goods to..... on or before
..... and submit invoices without delay
to.....*

<i>Item No.</i>	<i>Description of Goods</i>	<i>Unit</i>	<i>Quantity</i>	<i>Price in Kshs</i>	
TOTAL					

Prepared by: *Vote Head*

Signature: *Date*

Designation:

Approved by:

Head of Institution: *Date*

Signature

I confirm that funds are available and that the commitment has been noted in the Commitments Register/Vote Book

APPENDIX J: GOODS RECEIPT VOUCHER

NAME OF INSTITUTION

GOODS RECEIPT VOUCHER

DEPT:

Received the items listed below from (Source):

LPO/LSO NO. *DATE*

<i>Item No</i>	<i>Item Description</i>	<i>Unit No</i>	<i>Quantity</i>	<i>Value</i>	<i>Remarks/ Purpose</i>

Order No: *Date* *Invoice No.:* *Date:*

I certify that the quantities received have been taken on charge.

Vote Head/Account No:

Receiving Officer: *Designation:*

Signature *Date*

APPENDIX K: LOCAL SERVICE ORDER

ORIGINAL: TO SUPPLIER
 DUPLICATE
 TRIPLICATE

NAME OF EDUCATION INSTITUTION

LOCAL SERVICE ORDER (LSO)

Suppliers are warned that this Order is INVALID unless availability of funds is confirmed here below by the Accountant in charge/Head of institution.

To Tender/Quotation Ref:
 Contract Ref.....
 Date
 Requisition Ref. No.
 Date :

Please carry out the services listed below at (Full address):

on terms and conditions stated on the back of this Order, on or before.....
And send the invoices immediately to.....

P.O Box:Town/City.....

Item No	Description of Service	Shs	Cts
	Totals		

Prepared by:..... Vote Head

Signature:..... Date

Designation:.....

Approved by:

Head of Institution:..... Date

Signature Date

I confirm that funds are available and that the commitment has been noted in the Commitments Register/Vote Book.

APPENDIX L: STORES LEDGER

NAME OF EDUCATION INSTITUTION: _____

STORES LEDGER

Item Code: _____ Item description: _____

Date of Receipt	Receiving / Delivery Note No.	Quantity Received	Unit Cost	Total Cost	Date of Issue	To whom issued	Quantity Issued	Balance	Comments

APPENDIX M: THRESHOLDS GOVERNING PROCUREMENT METHODS

(AS PER SECTIONS THRESHOLD MATRIX IN THE PPD REGULATIONS)

The Threshold Matrix in First Schedule of the PPDR 2006 which sets out the minimum and maximum levels of expenditure for use of particular procurement and segmentation of duties for different officers and committees in the procurement cycle under Section 26 (3) (c) of the PPD Act 2004 shall be used as stipulated by different classes of procuring entices stated in Section 5.7 of this Manual.



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