



KMTC is ISO 9001:2015 Certified

# Kenya Medical Training College



## PROCUREMENT MANUAL

**MAY 2019**

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## PREFACE

On behalf of the Kenya Medical Training College (KMTc) Board of Directors, I am delighted to approve this Manual for use by Management. The KMTc Board is determined to improve access to and equity of quality medical training and to ensure that the institution plays its role in the realization of Sustainable Development Goals (SDG's), Vision 2030, health sector policies and the government agenda on the 'Big Four'. The Board continues to realize the set milestones which contribute to improving the quality and quantity of essential health care providers. Inadequate numbers of skilled care providers have had a negative impact on efforts to expand access and improve the quality of health services. This situation is compounded by continued high prevalence of communicable and non-communicable diseases in the country.

Towards this end, the KMTc Board of Directors under my leadership is determined to critically address the task of defining long-term strategies for addressing the constraints to training and development of quality health care providers through:

- i. Improved policy and corporate governance for enhancing accountability and decision making.
- ii. Enhanced access, quality, relevance and equity in medical training.
- iii. Prudent resource utilization and good infrastructural management.
- iv. Increased visibility of Kenya Medical Training College nationally and internationally as a premier institution focusing on training, research and consultancy.
- v. Improved resource base, partnership and linkages.

The overall objective of the public procurement system is to provide value for money to the procuring entities and to ensure that public funds are spent in a transparent, efficient and fair manner. This Manual incorporates policy provisions and procedures for the operation, management and reporting by providing guidelines and step-by-step procedures for procurement of goods, works and services to assist KMTc to undertake public procurement in accordance with the law. It is intended to guide procurement officials directly involved in the procurement activities. It also intends to enhance understanding and achieve uniformity in procurement processes as a guideline document.

I believe successful implementation of the Manual will be realized through total commitment of the entire staff, students and other key stakeholders.



**Prof. Philip Kaloki, MBS,**

**Chairperson, KMTc Board of Directors.**

## FOREWORD

This Manual seeks to give guidance, advice and operating instructions on all matters relating to procurement within the Kenya Medical Training College (KMTC), which is a public entity. Procurement in public service is guided by the Public Procurement and Asset Disposal Act, 2015 and the Public Procurement and Disposal Regulations 2006 and its Amendments of 2013. The Public Procurement Act, being law, must strictly be followed to ensure fairness, equity, competition and public confidence in KMTC procurement process. This in return will cushion the College from criminal liability.

Further, those who procure goods at inflated prices will be surcharged for the loss resulting from their actions as per section 54 (4) of the Act, 2015. In addition to the penalty under subsection (4) a state or public officer involved in occasioning such a loss shall be subject to internal disciplinary action while any other person who is not a state or public officer shall be debarred. The procurement process shall also be regulated by the provisions of Chapter Six of the Constitution of Kenya 2010, the Anti-corruption and Economics Crimes Act, 2003, as relates to the conduct of the officers involved and the Public Officers and Ethics Act and the Leadership and Integrity Act. The College will at the same time demand greater efficiency from the Procurement Function in order to meet its obligation of delivering quality service to its customers.

This manual has operationalized the Public Procurement and Asset Disposal Act, 2015 and the Public Procurement and Disposal Regulations, 2006 in the College setup. It has information and instructions that must be followed by all College staff. All members of staff are expected to read and familiarize themselves with the instructions. Though every effort has been made to produce a comprehensive Manual, there may be unique cases of procurement needs that may not be covered. Users are therefore required to use this Manual together with the College's Financial Regulations Document, in addition to obtaining the advice of Procurement Staff. The Manual will be amended from time to time as new procedures, systems and operating methods are introduced.



**Prof. Michael Kiptoo,**

**Chief Executive Officer.**

## **VISION**

A model institution in the training and development of competent health professionals

## **MISSION**

To produce competent health professionals through training and research, and provide consultancy services

## **CORE VALUES**

Accountability

Integrity

Responsiveness

Equity

Teamwork

Professionalism

Creativity and innovation



## DEFINITION OF TERMS

<b>Act:</b>	Means the Public Procurement and Disposal Act.
<b>Approved suppliers list:</b>	Means the list of all the suppliers that have been pre-qualified to supply goods, services and works to KMTC.
<b>Candidate:</b>	Means a person who has submitted a tender to a procuring entity.
<b>Common user items:</b>	Means items which are regularly required by all departments. These items include stationery, cleaning materials, furniture, printers and computers.
<b>Contract:</b>	Means an agreement in writing entered into between KMTC and a candidate pursuant to an award of tender in accordance with the Act 2015.
<b>Contractor:</b>	Means a person who enters into a procurement contract with a procuring entity.
<b>Corruption:</b>	Has the meaning assigned to it in the Anti-Corruption and Economic crimes, Act 2003 and includes the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement or disposal process or in contract execution.
<b>Direct procurement:</b>	Means direct contracting without competition.
<b>Disposal:</b>	Means the divesture of KMTC's assets, including intellectual and proprietary rights and goodwill and other rights of a procuring entity by any means including sale, rental, franchise, auction or any combination however classified other than those regulated by any other written law.
<b>Financial year:</b>	Means the period from 1 <sup>st</sup> July of any year to 30 <sup>th</sup> June of the following year.
<b>Fraudulent practice:</b>	Includes misrepresentation of facts in order to influence a procurement or disposal process or the exercise of a contract to the detriment of the procuring entity, and includes collusive practices amongst bidders prior to or after bid submission designed to establish bid prices at artificial non-competitive levels to deprive the procuring entity of the benefits of free and open competition.
<b>Goods:</b>	Includes raw materials, things in liquid or gas form, electricity and services that are incidental to the supply of the goods.
<b>Prequalification manual:</b>	Means a manual by which candidates are invited to demonstrate their qualifications prior to, and as condition for, being invited to tender or submit proposals.
<b>Procurement:</b>	Means the acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise, or by any other approved contractual means of any type of works, services or goods including livestock or any combination.
<b>Procurement/Supplies Head:</b>	Means the person who heads the Procurement Section in KMTC.

<b>Services:</b>	Means any objects of procurement or disposal other than works and goods and includes professional, non-professional and commercial types of services as well as goods and works which are incidental to but not exceeding the value of those services.
<b>Standard:</b>	Means a characteristic or set of characteristics for an item which for reasons of quality level or compatibility with other products is generally accepted by the manufacturers and users of the item as a required characteristic for all items of that type.
<b>Standardization:</b>	Means similarity or uniformity of common user goods.
<b>Supplier:</b>	Means a person under contract with KMTC to supply goods, works or services.
<b>Tender:</b>	Means an offer in writing by a tenderer to supply at a price goods, works or services, pursuant to an invitation to tender by the KMTC.
<b>Tenderer:</b>	Means physical or legal person submitting a tender.
<b>Tender Documents:</b>	Means the documents provided by KMTC to tenderers as a basis for preparation of their tenders.
<b>Tender Opening Date:</b>	Means a date and time designated by KMTC for the opening of tenders.
<b>Tender/Bidding:</b>	Means soliciting of offers through competitive manuals for supply of goods and services.
<b>Works:</b>	Means the construction, repair, renovation or demolition of buildings, roads or other structures and includes the installation of equipment and materials, site preparation and other incidental services.

## ABBREVIATIONS

<b>AIE</b>	Authority to Incur Expenditure
<b>CEO</b>	Chief Executive Officer
<b>ERC</b>	Energy Regulatory Commission
<b>GRN</b>	Goods Received Note
<b>ISBN</b>	International Standard Book Number
<b>KMTC</b>	Kenya Medical Training College
<b>LPO</b>	Local Purchase Order
<b>LSO</b>	Local Service Order
<b>ONT</b>	Open National Tender
<b>PE</b>	Procuring Entity
<b>PO</b>	Procurement Officer
<b>PR</b>	Purchase Requisition
<b>SCM</b>	Supply Chain Management
<b>TEC</b>	Tender Evaluation Committee
<b>TOC</b>	Tender Opening Committee

## 1.0 PROCUREMENT REGULATORY FRAMEWORK AND THE PROCUREMENT FUNCTION

### 1.1 Introduction

The procurement process in the College is guided by various statutory provisions including the Public Procurement and Asset Disposal Act, 2015, the Kenya Medical Training College Act no. 261 of 1990 (as amended) and the KMTC College Statutes thereon, and internal administrative guidelines that are issued from time to time.

### 1.2 The Purpose of the Manual

The purpose of the Procurement and Supplies Control Manual is to establish a modus operandi for procurement, storage and distribution of goods/services and disposal of goods, unserviceable, obsolete or surplus stores and equipment by Kenya Medical Training College (KMTC).

The aim of the Manual is to enable KMTC to:

- i Maximize economy and efficiency.
- ii Promote competition and ensure that competitors are treated fairly.
- iii Promote integrity and fairness.
- iv Increase transparency and accountability.
- v Increase public confidence in the procurement process in KMTC.

### 1.3 The Procurement Regulatory Framework

- 1.3.1 The establishment of the Kenya Medical Training College is provided for in the KMTC Act which under Section 3 states as follows:

Kenya Medical Training College shall be a corporate body with perpetual succession and common seal and shall in its corporate name be capable of:

- i Suing and being sued;
- ii Taking, purchasing or otherwise acquiring, holding charging and disposing of movable or immovable property;
- iii Borrowing or lending money;
- iv Doing or performing all such other things or acts for the furtherance of the provisions of this Act which may lawfully be done or performed by a body corporate.

- 1.3.2 The mandate of Kenya Medical Training College is carried out through KMTC Board of Directors whose overall responsibility is management of the resources of the College through proper budgeting.

- 1.3.3 In addition to the KMTC Act, KMTC being a state corporation is governed by a number of other legislative provisions and guidelines applicable in all public organizations.

These include:

- i Constitution of Kenya, 2010.
  - ii The State Corporations Act, Cap 446, 2015.
  - iii The Public Audit Act, 2015.
  - iv The Public Officer Ethics Act, 2003.
  - v The Leadership and Integrity Act, 2012.
  - vi The Public Procurement and Asset Disposal Act, 2015.
  - vii Supplies Practitioners Management Act, 2007.
  - viii The Public Procurement and Disposal Regulations, 2006 as amended in 2013.
  - ix Public Procurement Circulars and Guidelines as may be issued from time to time.
  - x Supplies Practitioners Code of Ethics.
  - xi Private Public Partnership Act, 2013.
  - xii QMS Standards based on ISO 9001:2015.
  - xiii Financial Regulations.
  - xiv KMTC Statutes.
- 1.3.4 The Procurement Functions of KMTC are anchored on the provisions of the outlined statutory guidelines, the College Financial Regulations, and other enabling procedures, rules and regulations of KMTC.
- 1.3.5 The Procurement Function of the College is also premised on sound professional principles, practices, and ethics that apply in the area of purchasing and supplies, thus, KMTC recognizes and applies in its procurement operations, guidelines by the professional bodies of purchasing and supplies.
- 1.3.6 The Procurement Manual deals with the procurement of goods, works and service in Kenya Medical Training College. The Manual provides the respective policy guidelines and procedures in the procurement process.
- 1.3.7 The College Strategic Plan provides the framework within which the operational guidelines on procurement are based. Thus, it is recognized that the procurement function must be carried out with efficiency necessary to ensure that the College achieves its stated objectives.
- 1.3.8 Procurement Staff in the College shall endeavour to source goods, works and services competitively:
- i At the right place.
  - ii From the right source.
  - iii At the right specification that meets user needs.
  - iv In the right quantity.

- v Delivered at the right time.
  - vi To the right internal customer.
- 1.3.9 To support the development of marginalised industry, SMEs, groups and regions.
- 1.3.10 The College shall at all times obtain value for money spent on procurement by ensuring that only those items which are needed are bought, that these items are of good quality, and that they are stored appropriately to preserve their quality.

## 1.4 Procurement Function

Procurement Function under Section 2 of PPADA, 2015 shall report functionally and administratively to the CEO. All officers in procurement shall possess practicing license under Section 20 (1) & (6) of the Supplies Practitioners Management Act, 2007 and undertake continuous professional training with relevant professional body.

Procurement officers shall uphold values and principles of public service under Article 232 of the Constitution of Kenya, Section 2 of Supplies Practitioners Management Act 2007 and Section 3 of PPADA, 2015.

- 1.4.1 In order to accomplish the procurement mandate in accordance with all relevant statutory provisions and professional guidelines, the Kenya Medical Training College has established a professional Procurement Section, headed by Supply Chain Manager or any other designation that the Board of Directors may decide from time to time.
- 1.4.2 The Procurement Section is expected to execute its procurement mandate by providing advisory service on procurement to the College Management and other organs of the College to ensure total compliance with the procurement Act, regulations, and other statutory requirements.
- 1.4.3 All procurement requests for presentation to the CEO shall have the input of the Supply Chain Manager to give guidance on the right procurement method while the Finance Manager will guide on the state of financing.
- i The Procurement Section of the College is also premised on sound professional principles, practices, and ethics that apply in the area of purchasing and supplies.
  - ii All employees shall observe the procurement manual with commitment and shall appreciate its importance, value and the necessity of integrity.
  - iii Employees of procuring entities shall maintain the highest standards of integrity and professionalism in their operations.
  - iv All employees shall comply both with the letter and spirit of the law applicable to the public procurement system.
  - v All employees shall reject any procurement practice which might be deemed improper.
  - vi Employees shall not solicit or accept bribes or be involved in corrupt or fraudulent practices.
  - vii No employee shall knowingly lie or mislead or obstruct or hinder another person carrying out a duty or function or exercising a power relating to

procurement in accordance with the PPAD Act.

- viii Employees shall not solicit or accept bribes or be involved in corrupt or fraudulent practices.
- ix All employees shall be accountable for their actions in the procurement process.
- x All employees shall not allow patronage or nepotism.
- xi All employees shall prevent theft of state revenues and assets or diversions of the same.
- xii Stores, equipment and assets bought or acquired by a procuring entity shall not be used for personal benefit.
- xiii All types of conflict of interest as described in Section 43 of the Act shall be avoided.
- xiv All employees in public procurement shall serve, support and cooperate with one another and also accord mutual respect and courtesy without compromising their independent and mutually distinct roles.
- xv Information received from participants in public procurement shall not be disclosed to unauthorized persons and shall not be used for personal gain.
- xvi Business gifts other than items of very small value such as business diaries and calendars shall not be accepted.
- xvii Only modest hospitality within the policy of the procuring entity may be accepted. However, care must be taken that such hospitality is not deemed to influence the making of any business decisions.
- xviii Staff of the procuring entity shall avoid excessive socializing with members of the business community who participate in public procurement.
- xix Employees who are members of professional organizations and institutes are required to uphold the code of ethics of their respective professions, provided these do not conflict with the public procurement law.
- xx No employee shall unduly influence or exert pressure on any member of a Committee or any other employee of a procuring entity to take a particular action which favours or tends to favour a particular bidder.
- xxi No employee shall open any sealed bid, including such bids as may be submitted through an electronic system and any document required to be sealed, or divulge their contents prior to the appointed time for the public opening of the bid or documents.
- xxii Employees undertaking evaluation shall perform their work diligently and expeditiously, strictly applying the stated evaluation criteria, without discrimination.
- xxiii All employees shall maintain confidentiality in the evaluation of tenders.
- xxiv All employees shall respond promptly and courteously to all proper requests for information, complaints or enquiries.
- xxv Employees shall observe other laws, regulations, rules and practices relating to health and safety standards as well as environmental protection. This will particularly apply in the preparation of procurement specifications and in the inspection and acceptance of the procurement items.

## 1.5 Responsibilities of the Procurement Section

1.5.1 The procurement function shall undertake the following functions:

- i Interpretation, implementation and enforcement of Public Procurement and Assets Disposal Act and regulations and procedures and any other procurement laws legislated from time to time.
- ii Providing advice to the College on all matters relating to procurement.
- iii Coordinating the preparation of annual procurement plans by all units of the College.
- iv Processing procurement requirements from user departments.
- v Preparing in conjunction with users, proper standard quality specifications to guide purchasing officers so that they are able to purchase only those products that meet recommended quality standards.
- vi Preparing and processing tender documents and quotations in consultation with user and technical departments in compliance with procurement procedures.
- vii Issuing invitations for bids through all the prescribed procurement methods in PPADA 2015.
- viii Facilitating the process of opening of tender/quotation bids in liaison with tenderers and user departments.
- ix Communicating decisions of the College Management on procurement matters to tenderers, users and other relevant departments.
- x Facilitating the implementation of contracts.
- xi Ordering, follow-up, or processing of goods delivery schedules to user departments and to stores.
- xii Performing market research and price survey on items and services required by the College.
- xiii Maintaining an up-to-date suppliers' database.
- xiv Preparing annual tender returns for use by Management in overall planning.
- xv Preparing and submitting award contracts of over Kshs 5 million to the Public Procurement Regulatory Authority for publication and also terminated contracts.
- xvi Application of the Authority to Incur Expenditure (AIE) in all cases of procurement to confirm availability of funds.

## 1.6 Head of Procurement Section

1.6.1 As Head of the procurement function, the Supply Chain Manager will be responsible to the CEO for:

- i Interpretation, implementation and enforcement of public procurement regulations and procedures.
- ii Providing professional advice to the CEO before awarding contracts/ advising entire College on all matters relating to procurement.
- iii Coordinating the preparation of the Annual Procurement Plan.
- iv Receipt and custody of samples submitted by tenderers.
- v Coordinating procurement of goods and services.
- vi Coordinating inventory and stock control.



- vii Liaison on contract management for goods services and works.
- viii Supplies inspection.
- ix Coordinating the Disposal Committee for disposal of surplus and unserviceable items.
- x Managing the procurement function, including staff development.
- xi Promoting and enhancing good relations with key suppliers of the College.
- xii Quality control in liaison with users and technical departments and custody of approved samples

## 2.0 PREPARING PROCUREMENT PLANS

### 2.1 Introduction

- 2.1.1 A key constraint to meeting the procurement needs in the College, and indeed every other institution, is finance, which is limited while needs are unlimited. There is therefore strict need to prepare procurement plans to limit procurement requests to the items in the procurement plans, which in turn should be closely tied to the allocated budgets.
- 2.1.2 The public procurement regulations require that procurement plans are prepared annually for all procurement needs. Procurement plans define what is to be procured, the estimated cost, and when to procure.
- 2.1.3 As is the case with other financial budgets, procurement plans cover a financial year and should be in accordance with the approved budget estimates. Hence, the plans should be prepared and submitted to the CEO prior to the commencement of the financial year. All chairpersons/heads of department will be required to prepare procurement plans for their respective departments covering all items of procurement including:
  - i Consumables
  - ii Furniture and office equipment
  - iii Tools of work and gear
  - iv Maintenance and repair
  - v Construction Works
  - vi Teaching and research materials
  - vii Insurance services
  - viii Travel and freight services
  - ix Consultancy services
  - x Security services
  - xi Capital items - machines, motor Vehicle
  - xii Food stuffs

## 2.2 Considerations when preparing Procurement Plans

- 2.2.1 Before making a proposal in a procurement plan for the College to spend funds, the user shall constitute a committee having the relevant expertise and experience. This committee will consider:
- i Overall institutional priorities in the light of resource constraints;
  - ii Estimated expenditure;
  - iii Available options and alternatives;
  - iv Opportunity;
  - v Value adding for other activities;
  - vi Developments in the industry;
  - vii Market trends;
  - viii Applicable/relevant legislation;
  - ix On-going research and development.
- 2.2.2 Where the recommendation of this committee is that procurement is necessary, then the item can be incorporated into the plan.

## 2.3 Preparing Procurement Plans

- 2.3.1 The College shall cause to be prepared procurement plans every year before the College can procure as follows -
- i Following a prescribed format, Heads of Departments shall prepare procurement plans and departmental budget prior to the commencement of the financial year by 15<sup>th</sup> of August every year. This shall be done in time for consolidation of the departmental plans and budgets into the respective College plans (budget and procurement plan)
  - ii The departmental procurement plans shall be submitted to the Heads of Department as is appropriate. The Heads of Department that is Deputy Director Academics and Deputy Director Finance and Administration shall forward departmental plans to Procurement Section for consolidation.
  - iii Consolidated departmental procurement plans shall be forwarded to the CEO through the Deputy Director Finance and Administration for tabling in the College Executive Management Committee for discussion and subsequently to the Board of Directors for approval.
  - iv The approved procurement plans shall be submitted to the Deputy Director in charge of Finance, Planning and Administration, with copies to Head of Procurement Function, one month prior to the commencement of the financial year for consolidation into the College procurement plan.
  - v All procurement plans shall be accompanied by an approved budget so as to qualify for approval. Heads of departments will act as secretaries in committees charged with the task of coordinating the preparation of consolidation into the College procurement plans as in their respective departments.
  - vi Chairmen of departments or HoDs will be expected to know the estimated cost of goods and services to be procured by their departments in order to prepare realistic procurement plans. Realistic here means closely tied to the budget estimates.

They may be guided in achieving this by:

- a. The previous year's purchase prices
- b. Carrying out a market survey
- vii The Head of Procurement Function shall have the dual responsibility of:
  - a. Coordinating preparation of procurement plans for all departments.
  - b. Coordinating the preparation of the overall annual procurement plan for the College.
- viii Procurement Plan shall be approved by the CEO.

## 2.4 Implementing Procurement Plans

- 2.4.1 All procurement should be in line with the Procurement Plans and Budget.
- 2.4.2 Chairpersons/Heads of department shall provide feedback through quarterly and annual reports showing the reconciliation between planned and actual procurement acquisitions. They will be required to give reasons for any variance.

## 3.0 THE PROCUREMENT PROCESS

### 3.1 Introduction

- 3.1.1 The procurement process begins with identification of needs by the user. Needs are those items or services that should be procured to help the College achieve its strategic plans and goals. All required items have to be budgeted and any requirement that has not been budgeted for will not be processed for procurement.

### 3.2 Types of Procurement Needs

- 3.2.1 Procurement needs may fall into various categories as follows:
  - i Consumables and Expendables: These are used in the process of giving authorized services. These kinds of stores are consumed in the process of their usage and cannot be separately traced afterwards.
  - ii Repair and Maintenance: These are items or parts used to keep machines, motor vehicles, equipment or facilities in a running or serviceable state. Requirement for this kind of services arises intermittently and it is important for users to liaise with experts in order to identify the need correctly.
  - iii Tools of Work: This involves tools that a worker requires in order to discharge their official duties.
  - iv Uniform and protective clothing/Gear: Uniform for some categories of staff is normally defined by the governing collective bargaining agreement that must be referred to before procurement can commence. Of particular importance is the kind of uniform agreed upon, the cost ceilings for particular items, and the categories of staff entitled to the same.
  - v Construction Works: Relevant College departments, especially Estates and all the relevant sections within the Estates department should endorse documents relating to all construction works from the onset before the same is forwarded to the Procurement Function for processing.

- vi Teaching and Research Materials: Meant to facilitate students learning and research. The category includes library books, journals and other reference materials. Also included are books and materials for use during teaching or experimentation.
- vii Travel Services: The identification, pre-qualification and award of tenders for travel services shall be done through the normal procurement procedures.
- viii Capital and Major Equipment: Heads of departments must liaise with their divisional heads in deciding of which capital projects to undertake. In the procurement of capital equipment, the Procurement function acts to a great extent in a service capacity as a gatherer of information, a process coordinator, a procurement consultant to management and finally a contract administrator.
- ix Contracted Professional Services: The identification, pre-qualification and award of tenders for professional services shall be done through the normal procurement procedures of registration of suppliers. This includes but is not limited to legal, travel, architectural, landscaping, hydro geological services, valuation etc.

### 3.3 Initiating the Procurement Process

Procurement is initiated after the need for an item, service or works has been identified and the same has been certified by the Head of Department. It is also necessary at this stage to confirm the availability of funds for the intended purpose. The main steps involved in initiating the procurement process are as follows:

- i User lists down requirements with technical specifications;
- ii User estimates the cost of the requirements by carrying out a market survey and obtain the total cost;
- iii User compares the total cost against the budgetary allocations;
- iv User reconciles the total cost and the budgetary provisions and corrects by additions or prioritization;
- v User comes up with a final list;
- vi The Head of Department supports the request to procure by confirming its conformity with the Procurement Plan and the budget requirements of the departments.

### 3.4 Preparing Specifications

- i Users have the responsibility of drawing up the correct specifications of their procurement needs before forwarding them to Procurement Function. If need be, users may seek external technical expertise from drawing up specifications.
- ii Items should be described in sufficient details in terms of performance without prejudice towards particular brands. Specification may be presented by one or a combination of the following: description, sample, drawings, capacity, usage and/or standards. This is what is referred to as technical specifications.
- iii Use of brand names or models is discouraged when preparing specification as it limits competition. Where these are necessary, however, the user may need to liaise with relevant technical departments or the procurement function in drawing up such specifications.
- iv Once specifications have been drawn up they shall not be changed without the involvement of the user and must be submitted together with purchase requisition.
- v The user shall not change the specifications once the procurement process is underway unless with approval from the CEO or Deputy Director in Charge of Finance and Administration.

- vi Such changes in specification shall be communicated to prospective bidders through an addendum placed on KMTC website, sent via e-mail, newspaper or supplier portal.

### 3.5 Using authority to Incur Expenditure/Purchase Requisition

- 3.5.1 All procurement requests should be accompanied by completed A.I.E forms. This should be raised by the user/vote holder, who is duly authorized by either the Head of department. It is only after the Finance Officer has confirmed the availability of funds, the Deputy Director Finance and Administration approved the purchase request that the procurement process will commence.
- 3.5.2 Authorization limits on the AIE will be as follows:
  - i Deputy Director Finance, Planning and Administration and Deputy Director Academic Affairs & Corporation Secretary shall essentially sign all purchase requisitions below Kshs. 4,000,000.
  - ii CEO above Kshs. 4,000,000.

### 3.6 Responsibility for Procurement of Works

- i All Procurement of Works shall be carried out by the means to appoint or designate procurement professional after the user has drawn up specifications and the appropriate authorization (AIE) to procure is given.
- ii The A.I.E or purchase requisition shall be raised by the user /vote holder and recommended by Head of Estates Department and approved by the CEO.
- iii Provision of bill of quantities, drawings or technical specifications shall be the responsibility of College Engineer or Estates Manager.
- iv Other Departments purchasing building and electrical materials shall seek Estates input as the College technical experts and vote holder.

### 3.7 Procurement of Construction Works

The following procedure will apply during procurement of construction works:

- i After consulting with the user and in line with procurement plan, the Administration Manager/Project Manager shall draw up a proposal on the works to be done.
- ii The proposal shall be tabled before the College Executive Management Committee and thereafter in the College Board of Directors.
- iii The College Board of Directors approves the proposal.
- iv A tender is issued for the design works are done by a recognized professional.
- v The Procurement Function processes the procurement of the approved construction.

### 3.8 Procurement of Major Capital Projects

The following procedure will apply during procurement of major capital projects:-

- i Every major capital equipment and machinery must be in the procurement plan for it to be procured.
- ii At the planned time, the user requests for the approval of the CEO to procure.
- iii If approval to procure is granted, the approved request is passed over to the procurement function to carry out the procurement process using the appropriate procurement method.

### 3.9 Procurement at Campuses

- 3.9.1 The College applies a centralized procurement strategy whereby some procurement is done centrally from KMTC Headquarters in line with Board's approval.
- 3.9.2 The Campuses shall award contracts of a value not more than Kshs. 500,000/=
- 3.9.3 The procurement procedure for departments in main campus shall apply to those in other Campuses and shall be as follows:
  - i All procurement requests for departments will be processed through the office of the Supply Chain Manager/Procurement officer; after all requisite authority has been obtained.
  - ii Departments will channel their procurement requests to the Deputy Director Finance and Administration together with Principal/purchase requisition forms and market survey prices of the item to buy.
  - iii Where approval is granted and the Finance Manager/Accountant confirms the availability of funds, procurement requests will be forwarded directly to the procurement officer in charge for processing.
  - iv The Head of Procurement Section will then forward all the evaluation reports with recommendation and professional advice to the CEO for approval and award of contract.
  - v If the CEO approves the procurement request, then LPO/LSO is raised for amounts below Kshs 1,000,000 and those above shall be procured through the prescribed procurement method.

This procedure applies to all procurement requests originating from all Campuses.

### 3.10 Paying of Suppliers

- 3.10.1 Procurement work remains incomplete until suppliers have been paid. In order to ensure timely processing of payments for goods or services, users shall endorse all invoices, delivery notes and other supporting documents before Procurement forwards the same to Finance Manager.
- 3.10.2 The technical experts and project team shall endorse payment for all works undertaken by them including Estates Manager as the user.
- 3.10.3 All Women, Youths and Persons with Disability shall be paid within one month of servicing their contracts and presentation of payment documents.

### 3.11 Documentation

- 3.12 The following shall be the approved documents used in the procurement procedure as outlined in this chapter:
  - i Purchase Requisition Form
  - ii Quotations Form
  - iii Opening Report

- iv Evaluation Report
- v Professional Opinion
- vi Local Purchase Order or Local Service Order/Contract
- vii Goods Received Note
- viii Copy of invoice and delivery note
- ix Inspection and acceptance
- x Completion certificate

## 4.0 OPEN TENDER

### 4.1 Introduction

- 4.1.1 Kenya Medical Training College, as a public entity, is under obligation to give all potential suppliers an equal opportunity to compete. Fair competition requires that the College reaches out to as many suppliers as possible. Therefore, as per the Public Procurement and Asset Disposal Act, 2015, the College uses open tendering as its preferred method of procurement for purchases above Kshs 2,000,000.00. Other procurement methods are allowed under specified conditions as discussed in part 5.
- 4.1.2 The Procurement Function, in close liaison with user departments and relevant technical units, shall coordinate all activities relating to open tendering in the College.

### 4.2 Use of Open Tender Method

- 4.2.1 Section 96 (1) of the Act 2015 states that Open Tender shall be preferred method of procurement.
- 4.2.2 The term “Tender” refers to the process of issuing invitations or otherwise asking potential suppliers/interested contractors to participate in a process that will eventually result in provision of goods, services or works to the College.
- 4.2.3 The following guidelines shall apply when using the open tendering method of procurement:
  - i As much as possible open tendering shall be used whenever the total value of a procurement request exceeds Kshs. 6 Million goods, 6 Million works and 3 Million services.
  - ii All procurement requests for values above Kshs. 500,000 shall be processed through the College appointed Evaluation Committee.
  - iii The Head of Procurement shall advice on any other method to be used in the procurement of goods and services whose value exceeds this threshold to the CEO who holds the final authority to approve or reject.
  - iv The College shall put to open tender all procurement requests whose total

annual values exceed Kshs 6 Million.

- v The processing of all annual tenders shall be finalized by the start of the relevant financial year.
- vi Tenders shall be advertised in at least two daily newspapers of nationwide circulation. The time for preparing tenders, which is the period between advertising and tender opening, is 14 days for local tenders, international tendering will require 21 days after advertising in international newspapers.
- vii All tender submissions shall be accompanied by a tender security unless stated otherwise in the tender document.
- viii All tenders will be processed by the Procurement Function and duly appointed Evaluation committees. The end result of any legal procurement process shall become binding to all departments and staff members regardless of the source of funding.
- ix Once tenders have been concluded, purchase shall only be obtained from the approved tenderer for the entire tender period.

### 4.3 Advertising of Tenders

- 4.3.1 The following guidelines shall apply when advertising for tender:
  - i Invitation for tender shall include open tenders, prequalification of suppliers, invitation for proposal and related offers.
  - ii All requirements for goods and services whose annual aggregate value is Kshs 5 million and above shall be advertised.
  - iii Advertisement shall cover specialized goods and services or those that are regularly in demand.
  - iv The procurement function shall ensure that advertisement for tender are accurate, complete and capable of attracting the widest competition possible. The function will therefore be expected to liaise closely with user department and technical experts within and outside the College to meet this requirement.
  - v Use of brand names in advertisement shall be avoided, but bidders will be encouraged to indicate the brands they are offering and the countries of origin of such brands.
  - vi In the case of works, drawings and bills of quantities will be provided.
  - vii Tender documents shall be uploaded on IFMIS portal and College website two days prior to advertisement.

### 4.4 Identification of Adverstising media house

- 4.4.1 The College shall advertise its tenders in daily newspaper of nationwide circulation. The validity period shall be fourteen (14) days for national tenders and twenty one (21) days for international tenders where local sources are not available.
- 4.4.2 However, the procurement of media services shall be left to Government Advertisement Agency (GAA) which has been mandated by the Government to undertake the same on behalf of all public entities.



Corporate Affairs will liaise with GAA to ensure advertisement is done as per the approved artwork. Later, GAA will forward invoices for payment through Corporate Affairs who shall forward the same to Finance Officer once service is delivered.

#### 4.5 Conditions for submission of Tenders

- i Tenders shall have clearly defined, mandatory and other requirements necessary for compliance and subsequent tender evaluation. Where candidates fail to meet the mandatory requirements, they shall be disqualified from participating in the tender (see preliminary evaluation in step 1 below).
- ii Tender documents shall be made available to candidates (suppliers) upon payment of the required fee to the Finance Department for those suppliers who choose to buy hardcopy from Procurement Function. However, those suppliers who download the tender document from KMTC website or IFMIS shall not pay.
- iii Candidates shall pay a tender security (bid bond). This requirement is meant to attract only serious tenderers. The tender security shall be forfeited if a tenderer withdraws a tender during the validity period. The same shall apply to successful tenderers who fail to honour their part of the contract. Tender security shall not exceed two and half of the total value of tender.
- iv All tenders will be submitted in sealed envelopes and deposited into the tender box maintained by the procurement function. Adequate measures will be taken to secure bids that are too bulky.
- v Any tender received after the deadline shall be time barred and will be excluded from participating in the tender process. The sealed envelopes containing such tenders shall be returned to the respective suppliers.
- vi The College may reject any tender submissions at any time prior to acceptance if there are valid reasons for doing so and if such a decision is in the best interest of the institution.
- vii Candidates will be required to complete the confidential business questionnaire stating their qualifications and financial status.
- viii All candidates will be treated fairly and in a business-like manner.

#### 4.6 Opening of Tenders

- i The CEO shall appoint an ad hoc Tender Opening Committee for every tender as per section 78 (1) of the Act. The committee consists of at least three officers, one of whom shall be an officer not directly involved in the processing of tenders. Secretary shall be from Procurement Function.
- ii An officer from Finance Department shall be a member of the Tender Opening Committee in compliance with the tender opening procedures and accountability.
- iii The responsibility for safe custody of the keys to the tender box shall rest with the chairman and secretary of Tender Opening Committee. Duplicate keys shall be kept in the CEO's office.
- iv The Chairman and Secretary shall discharge the duty of opening the tender box jointly with officers of the procurement function and other members of the Tender Opening Committee .
- v The procedure for opening of tenders shall be conducted by an ad hoc committee.
- vi Tenderers shall be invited to attend the tender opening session
- vii The procurement function shall maintain a permanent tender opening register where each tender, bidder and their bid bonds will be entered or opening minutes.

- viii The chairman of the Tender Opening Committee shall announce the names of bidders, prices quoted if necessary and Bid Bond amounts and the same shall be recorded in the tender opening minutes.
- ix No deliberation in respect of tender evaluations will be entertained at this stage as this is the preserve of the Evaluation Committee. No supplier will be disqualified at the opening stage unless based on late submission of bids.
- x Each bid shall be assigned a serial number.
- xi The tender opening committee shall produce minutes which must be signed by all the members.
- xii Any issues raised by the tenderers shall be recorded.
- xiii All information regarding the tender shall remain confidential and members of the Tender Opening Committee will be required to maintain confidentiality.

## 4.7 Categorising Supplies for Technical Evaluation

- 4.7.1 The nature of supplies required shall dictate the kind of technical evaluation to be carried out. This is because weighting of the evaluation criteria will depend on the nature and type of supplies to be evaluated. The following categories provide guidelines for evaluation:

### i. Machine and Equipment.

- a. For this group of stores, meeting the technical specification and provision of after sales back-up services are of paramount importance.
- b. Running costs also need to be considered as well as the lifespan of the item.
- c. The role of technical experts in the technical evaluation committee will therefore be crucial in evaluating bids for specialized machines and equipment.

### ii. Construction Works

- a. Competence and capacity of bidders are crucial factors to consider.
- b. Previous works are also important.
- c. Financial standing of the contractor is also crucial.

### iii. Furniture and Office Equipment

- a. Considering the diversity within the industry and the large number of suppliers available in this area, a visit to the premises as well as assessment of samples is crucial.
- b. It may be important to deal with already established firms that could offer warranties and maintenance services especially on office equipment.
- c. User department can also attach sample photos.

### iv. Stationery and Printing Services

- a. The College is a large consumer of these services. Therefore, competence and capacity of the bidder should be a crucial factor of prequalification and also reputation and previous work carried out in either the College or other reputable organizations.

**v. Books, Journals and Specialized Publications**

- a. Because of copyright and other considerations, items in this category are better sourced directly after obtaining the authority of the Procurement Regulatory Authority.
- b. Clear specifications must be drawn such as book, title and edition, ISBN, year published, the author and publisher.

**vi Laboratory Chemicals**

This category of items will normally require 100 percent conformity to qualify. The company profile and technical staff criterion is crucial. The role of technical experts is also crucial in evaluation.

**vii Drugs**

The same guidelines in (vi) apply. The role of technical experts is crucial in the technical evaluation of drugs.

**viii Insurance Services**

The technical evaluation committee should assure themselves of quality in all these aspects: capital base, record of claims settlement, portfolio risk assets-liabilities ratios, an assessment of the people and their competence and clientele and senior management profile.

**ix General Commodities**

The level of technical evaluation required for this category may not be as elaborate as for the other categories and shall be determined on an individual basis. Examples of general items include jembes, hammers, shovels, taps, pipes, etc

**4.8 Technical Evaluation of Submitted Bids**

- 4.8.1 The CEO shall appoint an ad hoc Tender Evaluation Committee of at least three (3) technically competent officers to evaluate tenders as per Section 46 (1) and 80 (1) of the act.
- 4.8.2 The College attaches a lot of weight to technical evaluation reports because they guide decision making in the awarding of tender. Where the Tender Evaluation Committee requires experts input not available within its membership then the committee shall seek to include qualified members to help reach an informed decision. Such experts shall be sourced and appointed in writing by the CEO. The head of Procurement Function shall provide the necessary information from the databank to guide the committee in doing evaluations
- 4.8.3 The chairperson of the Tender Evaluation Committee shall submit its report to the Head of Procurement within two to three days of the evaluation.

The report shall be duly signed by all members of the committee and clearly showing recommendation to award accompanied with professional advice.

## Preliminary Evaluation Step 1

- 4.8.4 This is the elimination or short-listing stage before the actual evaluation and ranking of bids. The main task is to establish that bidders meet the mandatory conditions as contained in the tender documents and the bids are responsive, that is, they conform to the technical specifications and standards of the College.

Tenderers with adverse performance records and who have been duly blacklisted shall be eliminated at this stage.

- 4.8.5 The following table provides the mandatory criteria used to guide the technical evaluation committees. Where any item of the mandatory criteria is not met, the bid shall be disqualified.

### Technical Evaluation of Tenders (step I)

Sample checklist of Mandatory Requirements

Item	Description	Yes/No
1	Certified copy of Registration certificate or certificate of incorporation	
2	Valid tax compliance certificate	
3	Form of tender dully filled, signed and stamped	
4	Confidential business questionnaire dully filled, signed and stamped	
5	Evidence of physical registered office(attach either lease agreement ,title deed, electricity bill, water bill, rental payment receipts)	
6	Certified copy of valid single business permit from county governments	
7	Submission of original & copy of tender documents book bound and paginated in the correct sequence and all pages MUST be initialled.	
8	Audited financial accounts for the last 3 years	
9	Original Tender Security of Kenya Shillings as specified depending on the magnitude and scope of works	
10	Registration with NCA as Electrical/Mechanical contractors in category 5 and below (provide certified copy of registration and renewal certificate where applicable	
11	A valid and current Class A1 Certificate issued by Energy Regulatory Commission (ERC)	
12	Original Manufacturer's Authorization form for the generators in the format provided in the tender document-where the bidder is not the manufacturer of the items quoted for.	
13	ISO 9001 Quality Assurance Certification or equivalent body for the manufacturer	
14	Work plan for delivery, testing and commissioning within four(4) months in descriptive Gantt chart format	
15	To supply the generators accompanied by all necessary manuals from the original manufacturer of each major component to be of good quality, plastic covered ,and in the English language required to operate and maintain the generators and in three(3) copies for each of the following categories:  -Operation  -Maintenance and parts	

Failure to submit any of the above requirements shall lead to automatic disqualification from further evaluation and the bidder shall not proceed to the technical and financial evaluation stage.

## Technical Evaluation Step II

4.8.6 This is the real evaluation, weighing, and ranking take place. The Technical Evaluation Committee shall develop the criteria for evaluating, scoring and ranking the bids. The following guidelines shall also be incorporated.

### Sample Guidelines for Technical Evaluation of Tenders (step II)

Item	Parameter	Scores	Max Score	Marks Awarded
1	<b>Professional qualifications and experience of Team leader</b>			
	<b>Qualification</b>			
	Registered with relevant professional body	7	7	
	Master's degree in relevant construction discipline (Attach certified copy of certificates)	10	10	
	Bachelor's degree in relevant construction discipline (Attach certified copy of certificates)	5		
	<b>Experience</b>			
	<b>Team Leader</b>			
	Relevant experience -2 points for every year's experience up to a maximum of 5 years(Attach CV's signed by the owner)	10	10	
	<b>Professional Qualification and Experience of key staff(Two site Agent/Site manager/site foreman)</b>			
	<b>Qualification</b>			
	Ordinary Diploma in Electrical Engineering -3 marks each	6	6	
	Certificate In Electrical Engineering- 2 marks each	4		
	Experience-Two Site Agent/Site manager/site foreman			
	At least three(3) years' similar experience in generator installation and commissioning -2 marks for every years' experience per key staff up to a maximum of (3) years	6	6	
2	<b>Firms Experience</b>	9 pass or fail	9	
	Experience in similar works, provide at least three (3) clients that can demonstrate your experience in installation of generators in the last five(5) years(Attach evidence from each client) e.g. LSO/ LPO/Contract Agreement from the said clients-3 marks for each up to a maximum of (3) three			
	Attach recommendation letters in client's letter head or completion certificate from the three clients 4 marks for each up to a maximum of (3) letters	12	12	
3	Financial capability; CA/CL		10	
	Liquidity Ratio of 2:1 – Max marks	10		
	1:1 Max 5 Points	5		

Item	Parameter	Scores	Max Score	Marks Awarded
4	<b>Equipment proposed for the works</b>			
	Provide At least two (2) relevant equipment that will be used in installation of the generator with evidence of ownership or lease -2 marks for each to a maximum of (2) two	5	5	
5	Training proposal for staff with clear timelines	5	5	
	<b>Overall Remarks</b>		<b>80</b>	

### Scoring, Weighing and Ranking of Candidates

- 4.8.7 It should be noted that the weight to be attached each item of the foregoing criteria will vary according to the goods, services and works in question, whereas one criterion may be critical factor in one category of supplies, it may be optional in another category. For example, in consultancy the manpower base is critical while for the supply of furniture and equipment the sample will be more critical factor.
- 4.8.8 The technical specification must be met in all cases for any bidder to qualify and the Tender Evaluation Committee must ensure compliance with this requirement.

### Evaluation Committee Conclusion

- 4.8.9 In making their final recommendation, the Tender Evaluation Committee shall clearly bring out matters which informed their decisions in respect of:
- i Disqualification of bids(s)
  - ii Bids with incomplete information
  - iii The recommendation choices based purely on technical evaluation
  - iv Any other consideration.

### 4.9 Financial Evaluation of Bid Documents

- 4.9.1 The ad hoc Evaluation Committee appointed by the CEO shall undertake all matters evaluation from technical, financial, negotiations and due diligence of the tender being evaluated.
- 4.9.2 The bidders who attain pass mark at technical evaluation stage shall be called to attend financial opening. The firms who failed to attain pass mark shall get back their financial bids unopened.
- 4.9.3 Financial opening shall be done by the Tender Opening Committee.
- 4.9.4 The mandate of the financial evaluation shall be to evaluate and determine the immediate and long term commercial viability of the undertaking. Financial evaluation shall be completed within one day of receipt of the technical report.

## Award Criteria

<p>The financial proposal shall be prepared and submitted by the candidate.</p> <p>The formula for determining the financial score is as follows;</p> $SF=FM/F*100$ <p>Where SF-Financial Score</p> <p>FM-Lowest Financial proposal</p> <p>F- Financial proposal under consideration</p> <p>The weight given to the technical proposal is 80% and for financial proposal is 20%</p> <p>The lowest financial bid will be given maximum financial score</p> <p>The award criteria shall be a combination of technical and Financial scores of responsive bidders.</p>	
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4.9.5 The financial evaluation committee shall consider the following factors when assessing bids:

- i Availability options and alternatives
- ii Lifespan for equipment and projects
- iii Maintenance or running/ servicing costs
- iv Opportunity costs for services
- v Value adding for other activities

Thus, this committee shall evaluate available options in terms of investment in repair costs as opposed to purchase of a new vehicle as cost effective measure in the long term taking cognizance of:

- i Market trends
- ii Respective legislations
- iii Technological advancement
- iv Development in the industry
- v On-going research and development
- vi Overall institutional priorities in light of resource constraints

Overall institutional priorities in light of resource constraints include:

- i Price tendered
- ii Credit terms
- iii Delivery/ performance period
- iv Bidder competence

All these factors shall have a bearing on total evaluated cost. For example, in considering insurance policies the premium quoted must be compared against

the resultant range of benefits.

Financial evaluation shall also include other pertinent issues that the evaluation committee considers important for final decision making by the CEO.

- 4.9.6 Candidates will then be ranked from the most financially viable/most favourable to the least financially viable/least favourable in terms of overall assessment. Based on the ranking, the best evaluated bidder shall be recommended for award by the Tender Evaluation Committee to the CEO through Head of Procurement.
- 4.9.7 Price differences may be caused by differences in quality, packing, urgency and other factors therefore, the financial evaluation committee shall ensure that it's recommendation is cost effective. If financial evaluation is not done diligently and expeditiously, a candidate with the lowest evaluated cost may turn out to be the most costly supplier.
- 4.9.8 If quotations/Tenders from all the bidders are exorbitant the tendering process shall be terminated to be started all over again.
- 4.9.9 Any prices accepted above market rates render the responsible officers liable for the difference in addition to other penalties.

## **5.0 ALTERNATIVE PROCUREMENT PROCEDURES**

### **5.1 Introduction**

There are alternatives procedures to the open tender procurement method discussed in part 4. This section elaborates on these procedures and the circumstances under which they can be applied.

### **5.2 Restricted Tender**

- 5.2.1 In restricted tendering, a limited number of prequalified suppliers are asked to tender and the process thereafter is the same as that applicable to open tendering. In all cases the CEO shall approve for this method to be used.
- 5.2.2 The provisions governing restricted tendering are stipulated in the Public Procurement and Asset Disposal Act, 2015. Under section 102(1-2) of these provisions, a procuring entity may use restricted tendering if the following conditions are satisfied:
  - i. Competition for the contract because of the complex or specialized nature of the goods, works or services is limited to prequalified suppliers.
  - ii The time and cost required to examine and evaluate a large number of vendors would be disproportionate to the value of the goods, works or services to be procured.
  - iii There are only a few known suppliers of the goods, works or services as may be prescribed in the regulations.



## 5.3 Direct Payment

5.3.1 Direct procurement is also referred to as “single sourcing” procurement.

5.3.2 The provisions governing direct procurement as stipulated in the Public Procurement and Disposal Act, 2015 section 103 are stated as follows:

- i A Procuring entity may use direct procurement as allowed under subsection (2) or (3) as long as the purpose is not to avoid competition.
- ii A procuring entity may use direct procurement if the following are satisfied:
  - a. There is only one person who can supply the goods, works being procured.
  - b. There is no reasonable alternative or substitute for the goods, works or services.
  - c. Government to Government Procurement.
- iii A procuring entity may use direct procurement if the following are satisfied:
  - a. There is an urgent need for the goods, works or services being procured.
  - b. Because of the urgency the other available methods of procurement are impractical.
  - c. The circumstances that gave rise to the urgency were not foreseeable or emergency in nature and were not the result of dilatory conduct on the part of the procuring entity.

5.3.3 Under section 104 of the Act the following shall apply with respect to direct procurement:

- i The procuring entity may negotiate with a person for the supply of goods, works or services being procured.
- ii The procuring entity shall not use direct procurement in a discriminatory manner.
- iii The resulting contract must be in writing and signed by both parties.

5.3.4 All direct procurement exceeding Kshs 500,000 shall be reported to the Public Procurement Regulatory Authority within 14 days after notification of the contract award.

## 5.4 Request for Proposal

5.4.1 The request for proposal method may be used for consultancy services or any work whose nature and scope is not clearly understood. Proposals will be sought from not less than six candidates conversant with the work or service.

Section 115 of the Act applies to procurement of professional services which are not predominately intellectual or advisory in nature.

5.4.2 Under Section 116(1) of the Act, a procuring entity may use a request for proposals for procurement of consultancy services if:

- i The procurement is of services or a combination of goods and services.
- ii The services to be procured are advisory or otherwise of a predominantly intellectual nature.

5.4.3 The provisions governing request for proposals are stipulated in the Public Procurement and Disposal Act, 2015 are as follows:

- i The procuring entity shall give each person who it determines is qualified to be

invited to submit request for proposals and a copy of the terms of reference.

- ii The request for proposals shall set out the following:
  - a. Instructions for the preparation and submission of proposal include technical proposals which shall require that a proposal include a technical proposal and a financial proposal.
  - b. An explanation of where and when proposals must be submitted.
  - c. The procedures and criteria to be used to evaluate and compare the proposals including:
    - i The procedures and criteria for evaluating the technical proposals which shall include a determination of whether the proposal is responsive.
    - ii The procedures and criteria for evaluating the financial proposals.
    - iii Any other additional method of evaluation which may include interviews or presentations, and the procedures and criteria for that additional method.
    - iii A statement giving notice of the restriction, in section 87, on entering into other contracts.
    - iv Anything else required, under this Act or the regulations to be set out in the request for proposals.

5.4.4 In the application of the request for proposals procedure, the College shall require that:

- i At least five candidates are invited to submit proposals.
- ii The most favourable proposal is taken and the candidate paid for his/ hers services.
- iii Due to the possibility of conflict of interest, candidates shall be excluded from the work that ensues out of their services.
- iv Alternatively, candidates who submit proposals that are considered satisfactory after evaluation may be asked to give their quotations. These quotations will be evaluated by a technical committee, which shall submit its report to the CEO.

## 5.5 Requests for Quotation

The following guidelines will be followed when using the Request for Quotations method of procurement as per Section 105 of the Act:

- i The procurement process may only be initiated after the respective officers have obtained authorization and the availability of funds confirmed through completion of requisition forms.
- ii Quotations will be used for individual items whose total annual expenditure does not exceed Kshs 2,000,000.00 for Headquarters and Kshs. 500,000 for Campuses.
- iii Only procurement staff are allowed to source for quotations for the purpose of procurement. User departments, may, however, give input that will assist the procurement process to realize value for money.
- iv Heads of department may, however, source for quotations to enable them draw up the procurement plan and to fill provisional values in the AIE form.
- v For uniformity, only the official College quotation forms shall be used for this purpose.

- vi The College expects procurement officers to obtain a minimum of four competitive quotations from known suppliers who deal with the items in question.
- vii Once quotations have been obtained analyzed, only the CEO can approve the awarding with a recommendation from Supply Chain Manager.
- viii Quotations shall be opened and evaluated by at least three senior officers from user department, procurement and finance who will be required to sign on each quotation and then make recommendation on the most favourable quote Section 46 of the Act.

## 5.6 Pre-qualification of Suppliers and Registration

The following guidelines will be followed using the pre-qualification of suppliers' method of procurement:

- i The College may advertise tenders for pre-qualification of suppliers or service providers for various goods works and services.
- ii Only the Accounting Officer will approve pre-qualified list of suppliers and once this has been done no new suppliers and service providers will be introduced until the expiry of the pre-qualification period.
- iii Only pre-qualified suppliers will compete for award of contracts for that period via quotations.
- iv The College may, under certain circumstance, select pre-qualified contractors from other public entities.
- v In all cases, pre-qualified suppliers shall compete among themselves for each relevant piece of work that arises.
- vi Reservation and preference groups shall be registered throughout the year as long as they present necessary documents.

## 5.7 Two Stage Tendering

- i. The following guidelines will be followed when using the Two-Stage Tender method of procurement as per Section 99 (1) of the Act:
- ii. Due to complexity and inadequate knowledge or advancements in technology, it might not be feasible to formulate detailed specifications for the goods or works or non-consultancy services, the College may use two-stage tendering in order to obtain the most satisfactory solution to its procurement needs.
- iii. In using the method, tendering document shall call upon tenderers to submit, in the first stage of the two-stage tendering proceedings, initial tenders containing their proposals without a tender price.
- iv. In the second stage, College shall invite tenderers whose tenders were retained to submit final tenders with prices with respect to a single set of specifications and formulating those specifications, the procuring entity may modify any aspect, originally set forth in the tendering document.
- v. Any such modification or addition shall be communicated to tenderers in the invitation to submit final tenders and a tenderer not wishing to submit a final tender may withdraw from the tendering proceedings without forfeiting any tender security that they may have been required to provide.
- vi. The final tenders shall be evaluated and compared in order to ascertain the successful tenderer.
- vii. The specifications developed shall meet the requirements specified in the Act.
- viii. When developing the specifications, the College may engage experts.

## 5.8 Design Competition

- i. Design Competition is allowed under Section 100 of the act and it is used to obtain the best architectural, physical planning, graphic or any other design scheme.
- ii. The procedure for design competition shall be as per Section 101 (1-7) of the Act no. 261 of 1990.
- iii. Bidding documents are prepared for the design competition, describing the technical and functional needs and a public advert notice is placed.
- iv. Tender Evaluation Committee shall include at least one independent lay assessor, recommended by the professional regulatory body governing design.
- v. The Tender Evaluation Committee shall evaluate the submitted designs and submit an evaluation report to the Head of Procurement Section who shall review and issue a professional opinion before the accounting officer's approval.
- vi. The best three assessed designs shall receive a prize or honorarium.
- vii. Copyright, intellectual property rights and patents relating to the top three successful designs shall vest in the state through the public entity.

## 5.9 Low Value Procurement

The College may use a Low-Value Procurement procedure as per section 107 and 108 of the Act if:-

- i. The College is procuring low value items which are not procured on a regular or frequent basis and are not covered in framework agreement.
- ii. The estimated value of the goods, works or non-consultancy services being procured are less than or equal to the maximum value per financial year for that low-value procurement procedure as may be prescribed.
- iii. The procedure and conditions for the use of low – value procurement method by different classes of public entities or different classes of goods, works or services being procured shall be as prescribed in the regulations.

## 5.10 Force Account

The College may use force account by making recourse to the state or public officers and using public assets, equipment and labour which are competitive as per section 109 of the Act and where:

- i. Quantities of work involved are small and scattered or in remote locations for which qualified construction firms are unlikely to tender at reasonable price and the quantities of works cannot be defined in advance.
- ii. Unforeseen and urgent work is required to be carried out without disrupting on-going operations.
- iii. The College is to complete works delayed by the contractor after the written warnings did not yield tangible results.

This method shall only be applied:-

- i. In legal service and construction emergency cases
- ii. With the prior approval of the Accounting Officer
- iii. Within the limit prescribed in Regulations
- iv. Where the total cost of procuring the goods, works and non-consultancy service are, at most, set at the prevailing market rate.

### 5.11 Electronic Reverse Auction

- i The Authority may in exceptional circumstances approve a system of electronic reverse auction method of procurement for goods, works or non-consultancy services by a procuring entity under section 110 of the Act.
- ii For College to use reverse auction it shall pose:
  - a. A procurement portal;
  - b. An appropriate secure software with electronic procurement capabilities and functionalities approved by the Authority;
- iii In the Reverse Auction method of procurement College shall:
  - a. Invite all registered suppliers in the specific category to compete;
  - b. Advertise its requirements on its website including the period of time and goods specifications;
  - c. The prices of bidders within the prescribed time shall be visible to other bidders without revealing the bidder's identity; and
  - d. A pre-qualified supplier shall not revise its price upwards within the prescribed time.
- iv Subject to the reserve price set by the procuring entity, the successful bid shall be the bid with lowest price at the bid submission deadline.

### 5.12 Framework Agreement

Kenya Medical Training College may enter into framework agreement through open tender under section 114 of the Act if:-

- i The procurement value is within the thresholds prescribed under Regulations to the Act;
- ii The required quantity of goods, works or non-consultancy services cannot be determined at the time of entering into the agreement; and
- iii A minimum of seven alternative vendors are included for each category.
  - a. The maximum term for the framework agreement shall be three years and, for agreements exceeding one year, a value for money assessment undertaken annually to determine whether the terms designated in the framework agreement remain competitive.

When implementing a framework agreement, the College may:-

- i Procure through call-offs order when necessary; or
- ii Invite mini-competition among persons that have entered into the framework agreement in the respective category.
- iii "call-offs order" means an order made using framework agreement with one or more contractors, suppliers or consultants for a defined quantity of works, goods, consultancy covering terms and conditions including price that users require to meet the immediate requirements.

Evaluation of bids shall be undertaken by an evaluation committee as provided for under the Act.

A procurement management unit shall prepare and submit to the CEO with a copy to the Internal Auditor quarterly reports detailing an analysis of items procured through Framework Agreements.

Costs in relation to the prevailing market rates and any recommendations.

For greater certainty procurements undertaken through Framework Agreements may be subject to preferences and reservations as provided for in the Act.

## 6.0 COMPOSITION AND ROLES OF THE COLLEGE COMMITTEES

### 6.1 Introduction

The procurement function in the College is realized through the College various procurement committees that have been set up to assist in the proper running of procurement.

### 6.2 Tender Opening Committee

- i. The Tender Opening Committee (TOC) shall be an ad hoc Committee responsible for opening of tenders (Section 78 of the Act 2015) on the date and time of closing as stipulated in the Bid documents. The Committee shall ensure that the Tender Box is closed at the exact time. Bulky Tender Documents that cannot fit in the tender box shall be received and recorded in procurement department and later delivered to opening Committee at the time of tender closing.
- ii. Tender Opening Committee members shall be recommended by the head of procurement to CEO who shall appoint them in writing. This Committee shall comprise: chairperson, three other officers and a secretary from procurement department.
- iii. The Committee shall record all tenders submitted on time and reject late submissions and give its duly signed report/minutes to Head of Procurement. The head of procurement shall forward a copy of the report to the chairperson of Tender Evaluation Committee for evaluation.
- iv. Section 46(1) and (4) - Evaluation Committee composed of user (person requesting for the purchase), Procurement staff who shall act as the secretary and an officer from finance department. They shall be appointed by Head of procurement. The function of the Committee shall be to open and record quotations, analyse the bid and recommend award in writing to the Head of Procurement based on the best evaluated tenderer. The procurement officer purchasing the items shall forward the report/minutes to PPC Chair for verification. Thereafter, the report will be forwarded to the CEO with recommendations for approval.
- v. Quotations shall be opened twice a week on Tuesdays and Thursdays unless otherwise approved by Head of Procurement with good reasons.

### 6.3 Tender Evaluation Committee (TEC)

- i. According to PPADA 2015 Section 46. (1) CEO shall ensure that an ad hoc Evaluation Committee is established in accordance with this Act and regulations made there under and from within the members of staff, with the relevant expertise. Procurement Officers shall be in charge of evaluations as delegated authority by the Head of Procurement Function as per Section 86 and shall be in writing. Evaluation is a function of users as the experts and where the said evaluators cannot agree, Section 4 (2) (c) can be invoked by Head of Procurement to acquire experts from other government institutions and shall be appointed in writing by the CEO.
- ii. An Evaluation Committee shall:-
  - a. Deal with the technical and financial aspects of a procurement as well as the negotiation of the process including evaluation of bids, proposals for prequalification, registration lists, expression of interest and any other roles assigned to it;
  - b. Consist of between three and five members appointed by the CEO in writing on a rotational basis comprising heads of user department and two other departments or their representatives and where necessary, procured consultants or professionals, who shall advise on the evaluation of the tender documents and give a recommendation on the same to the committee within a reasonable time;

- c. Have as its secretary, the person in charge of the procurement function;
  - d. Complete the procurement process for which it was appointed and no new committee shall be appointed on the same issue unless the one handling the issue has been procedurally disbanded.
  - e. Adopt a process that shall ensure the evaluation process utilized adheres to articles 201(d) and 227 (1) of the Constitution.
- iii. Each member of the Evaluation Committee shall evaluate independently from the other members prior to sharing his or her analysis, questions and evaluation including his or her rating with the other members of the technical evaluation Committee. The Evaluation Committee shall carry out negotiations if need be and with approval from the CEO for the said procurement.
  - iv. Due diligence and negotiations where applicable shall be carried out before financial evaluation. The recommendation to award to the best evaluated tenderer shall be submitted to head of procurement function, who will then forward to the procurement processing Committee for verification. Thereafter, the Head of procurement function shall forward the report with recommendations and professional opinion to the CEO for approval and award.
  - v. Evaluation shall be guided by Section 80 (1-7) of the Act.

## 7.0 CONTRACT MANAGEMENT

### 7.1 Introduction

Part XI of the PPADA 2015 stipulates how procurement contracts will be managed.

### 7.2 Contract Preparation

- 7.2.1 Procurement contracts are already inserted in tender documents for customization. Legal Office in conjunction with procurement shall customize form of contract as appropriate and in accordance with the Act.
- 7.2.2 Contracts will be prepared after debrief letters have been dispatched to all bidders who participated in the tender.
- 7.2.3 Contract shall not be signed until after fourteen (14) working days from date suppliers receive their debrief and notification letters. This will allow bidders enough time to lodge any complaint with the Review Board in case they are not satisfied with the decision.
- 7.2.4 Contracts will be prepared after debrief letters have been dispatched to all bidders who participated in the tender.
- 7.2.5 Specimen signatures of signatories authorized to sign procurement contracts must be made public to curb fraud and forgery. Audit Department shall keep specimen signatures for all officers involved in contract or any other procurement approvals.
- 7.2.6 Contracts signed will be publicized on IFMIS as per the threshold allowed and KMTC website for openness and accountability. Also necessary reports shall be

submitted to PPRA in the format provided for contracts above Kshs. 5 Million, terminated contracts and reservation awards.

- 7.2.7 It should be noted that conditions that were not in the tender document cannot be introduced in the contract at this point.
- 7.2.8 The winning bidder shall provide performance bond and all risk insurance as appropriate and in accordance with the Act and tender document.

### **7.3 Contract Variation**

- 7.3.1 All requests for variations shall be approved by the CEO subject to the following:
  - a. If the request has been made by the Contractor and approved by the project manager/implementation team.
  - b. The request should be accompanied with a renewed performance bond or insurance policy as appropriate.
  - c. The variation shall be taken for evaluation by the appropriate Evaluation Committee and a new professional opinion developed to inform the award or rejection by the CEO.
  - d. If the contract is more than 12 months old.
  - e. Variation for goods and services shall not exceed 15%, while works 20% and cumulatively it must not exceed 25%.
- 7.3.2 It should be noted that;
  - a. The best practice is not to vary contract but procure the new quantities afresh through a competitive process. Therefore, the College will treat all variation requests as new procurement.
  - b. Price, quantity or time variations shall not be acceptable for contracts that are less than 12 months old.
- 7.3.3 Provisional sums in construction contracts cannot be used without CEO's approvals and shall be submitted with professional opinion to justify the use and such shall be treated as variation.

### **7.4 Payments and Interest on Overdue Amounts**

- i Women, Youth and Persons with Disabilities shall be paid within thirty (30) days of receipt of the required payments documents.
- ii All other suppliers/contracts will be paid within ninety (90) days of receipt of the required payments documents.
- iii Delay in payment will attract interest in favour of suppliers and shall be in accordance with the prevailing mean commercial lending rate as determined by Central Bank of Kenya.

### **7.5 Performance Security**

- i Performance security shall not exceed 10% of the total contract price. Performance security shall be used if supplier refuses to sign contract. If the bank that guaranteed the supplier refuses to pay, the College shall charge a one (1%) percent interest daily until the bank pays.



- ii Performance security shall be acquired from reputable banks and only insurance companies approved by PPRA. The performance security will be returned immediately and within thirty (30) days once contract completion is certified.

## 7.7 Advance Payment

- i. No advance payment will be made before contract signing and without the CEO approval.
- ii. No advance payment shall be made if it was not in the tender document at the point of tendering.
- iii. If any advance payment is to be made, then it shall not exceed 20% and must be secured by a bank guarantee of same amount from a reputable bank. The payment shall be for financing tender activities only. Where the supplier defaults, the College will recover the loss with the security guaranteed.
- iv. Where the goods/services to be procured may require advance payment it shall be stated in the tender document.

## 7.8 Contract Administration

All contracts shall be managed as follows:

- i Where the nature of the Contract is framework, the Head of Procurement will cause to be issued a certificate of acceptance from the College.
- ii Where the nature of the Contract is open tender and one off the Certificate of acceptance shall be issued by the EC, project team and the project manager where appropriate.
- iii Where the nature of the Contract is complex or specialised, the CEO shall cause to be appointed a Contract Implementation Team which shall include representatives from procurement, user department, relevant technical department and a consultant where applicable.

## 7.9 Contract Monitoring

- i The Head of Procurement Function shall provide monthly progress reports on all procurement contracts to the CEO.
- ii The Head of Procurement shall ensure that all sections within the procurement unit submit weekly reports to the Head of Procurement on all procurements contracts in force.
- iii The Head of Procurement shall through the CEO ensure that the statutory reports on contract monitoring are submitted to PPRA monthly and biannually as appropriate.

## 7.10 Termination of Contract

- i. Only CEO can approve termination of contracts at the request of Head of Procurement Function.
- ii. The termination of contracts shall be done in lieu of the executed contract.
- iii. Where arbitration is provided for expressly in the Contract, the Contract shall not be terminated without invoking arbitration.

## 7.11 Contract Close Out

Upon completion of a contract, the CEO shall be responsible for closing out contracts. The close out shall involve:

- i Issuance of Certificate of Completion to the contractor confirming delivery and acceptance of goods works and services where the contract is not complex and specialized.
- ii Issuance of certificate of completion by the contract implementation team confirming

delivery, acceptance of goods, works and service in case of complex and specialized contracts.

### 7.12 Certificate of Final Acceptance

- i The ad hoc Acceptance and Inspection Committee shall issue interim or completion certificates or GRN as appropriate and in accordance with contract.
- ii The Acceptance and Inspection Committee shall issue the appropriate documents subject to:
  - a. Certificate of Acceptance by Head of Procurement.
  - b. Certificate of confirmation by Technical Department/Contract Implementation Team for complex procurement.
  - c. Goods Received Note (GRN)

## 8.0 RECEIVING, INSPECTION AND ACCEPTANCE

### 8.1 Introduction

The receiving and inspection of goods is an important aspect of the procurement as it ensures compliance with the requirements and conditions of the tender awards.

### 8.2 Recieving Goods

Goods or materials may be received into the main stores from external suppliers or other College stores. These goods/ materials must be accompanied by the relevant documents relating to the particular procurement. In particular, the delivery note should indicated the order number, quantity of goods delivered, item description, point of delivery and any other instructions.

### 8.3 Inspection of Goods

- 8.3.1 Before materials are accepted into the store they must be inspected for quality against the order specifications and, where relevant, the sample. The ad hoc Inspection and Acceptance Committee established in accordance with act section 48 (1-4), may be required to carry out an inspection before goods are received. If goods are technical in nature, the user shall be called upon to check the technical aspect before final acceptance. In case of defects or quality shortfalls the items shall be rejected and the supplier informed to take back the same.
- 8.3.2 A goods inward register shall be kept and entered daily as and when consignments arrive. The register shall provide the following information:
  - i Date and time of arrival of consignment;
  - ii Consignor;
  - iii Method of transport;
  - iv Vehicle number;
  - v Brief description of the goods;
  - vi Order / contract number.

8.3.3 A Goods Received Note (GRN) is necessary for taking into stock the receipts and confirming to relevant departments that the goods were indeed received. The GRN is an accounting document that is serially numbered and produced by the inspection committee. It should have the following information:

- i Date of receipt –same as in the receipt register
- ii Consignor
- iii Consignor's delivery note number
- iv Orders /contract number
- v Item(s) code/ description
- vi Quantity received
- vii Number and type of packages
- viii Any excess or shortfall in delivery
- ix Name /signature of receiving storekeeper
- x Quality inspector's name/ signature (where applicable)

8.3.4 The GRN shall be distributed as follows:

- i Original will be attached to the original delivery note and original invoice and sent to finance department for settlement of the account.
- ii Duplicate will be retained in Procurement Section to confirm delivery of the order (supplier performance).
- iii Triplicate will be sent to Stores for updating of stock control ledgers and bin cards.
- iv Where goods are delivered and Inspection Committee members cannot be traced, the store officer shall stamp the documents-goods received pending inspection and acceptance to allow the inspection committee to assemble and inspect the goods at a later date but not more than four days.
- v Supplier shall get a copy of inspection certificate if goods are accepted as proof of acceptance.

## 8.4 Issuing and Dispatching of Materials

8.4.1 The service rendered by the stores section to other departments becomes effective at the point where the stores personnel issues goods to users. Users will judge the efficiency of the store section by the service provided to them.

8.4.2 The Stores Personnel shall only issue materials upon receipt of a Stores issue note duly authorized by the head of the department requesting for goods. The stores issue note is an accounting document that is serially numbered and has the following details:

- i Department /section requesting the items
- ii Quantity required
- iii Items description
- iv Amount committed

- v Authorizing officer and date
- vi Issuer and date of issue
- vii Receiving staff and date of receipt

8.4.3 The stores issue note will be distributed as follows:

- i A copy remains in store for stock control and updating of stock records.
- ii Another copy will be issued to the person collecting such goods from the store.

## 8.5 Store Records

8.5.1 Inventory records are mandatory for the capture, classification and analysis of stores information relating to the receipt, movement and disposal of goods. The records are important for efficient performance of the stores function, accountability for the physical goods and for the financial records.

8.5.2 The purpose of keeping stock records is to:

- i Indicate the amount of stock of any item available at any time without the need for physical count.
- ii Establish a link between physical stock and stores accounts (receipts/issues)
- iii Provide a means of provisioning.
- iv Supply information for stock taking.
- v Serve the purpose of price list.

## 8.6 Documentation

The following shall be approved documents used in the procedure outlined above:

- i Goods Received Note- GRN
- ii Purchase Requisition-PR
- iii Stores Requisition Issue Note-SRIN
- iv Local Purchase Order- LPO
- v Contract
- vi Any other relevant communication

## 9.0 STOCK CONTROL PROCEDURES

### 9.1 Introduction

- i The Procurement Section shall be responsible for the proper accounting of stock and records.
- ii The Storekeeper shall maintain adequate records for stock control such as control ledgers, system and bin cards.
- iii All receipts and issues of stores must be recorded in the store ledger and bin cards immediately after each transaction.

- iv There will be regular stock counts by the Storekeeper and the Procurement Officer.
- v Any discrepancies between the physical stock and bin cards shall be investigated and appropriate action taken.
- vi There shall also be an annual stock taking activity at the end of every financial year, the results of which shall be incorporated in the annual accounts.

## 9.2 Stock Taking

- 9.2.1 The annual stock taking shall be independently initiated by the Finance Officer.
- 9.2.2 The essence of stock taking will be to ascertain whether:
  - i The store keeping function of the procurement department is effectively carried out.
  - ii Proper documentation of stocks and stores is maintained.
  - iii All stocks and stores are adequately accounted for.
  - iv There are adequate procedures for identifying and separately accounting for slow moving, damaged or otherwise defective stocks and stores.
  - v The amounts attributable to stocks in the College final accounts are valid.
- 9.2.3 Quarterly stock takes shall be carried out in various stores by designated officers.

## 9.3 Stock Taking Procedure

- 9.3.1 Issuing and receiving of items shall be suspended during the stock taking period.
- 9.3.2 Stock taking details shall be recorded on stock sheets.
- 9.3.3 Annual stock taking will commence after adequate preparations and in the presence of authorized representatives of: Internal Audit, External Audit, Procurement and Finance Sections.
- 9.3.4 Supervisors and representatives of the Internal Audit Section shall ensure that the correct stock position is recorded and that there are no omissions or commissions. The stock sheets shall be signed by all present. The ledger/stock card balances will then be entered in the appropriate columns for comparison. Any discrepancies will thereafter be investigated.
- 9.3.5 During stock taking, the following procedure shall be used for all types of stock:
  - i. Identification of stock and ascertainment of ownership (Does it belong to the College)
  - ii. Counting, weighing or measuring as the case may be.
  - iii. Reporting slow moving, expired, damaged or otherwise defective stock.
  - iv. Recording Information of all inventories.

- 9.3.6 All items shall be properly arranged and kept in their respective places in the Stores during the stock taking exercise.
- 9.3.7 All stock items that are defective shall be recorded, marked and separated.
- 9.3.8 Experienced storekeepers shall be present to guide the counting staff on identification and description of items in stock.

#### **9.4 Stock Verification**

- 9.4.1 The Store Keeper shall conduct regular stock counts under the supervision of the procurement officer to ensure that:
  - i Records of receipts and issues are well maintained (all receipts and issues have been recorded in the stores ledger, system and bin cards)
  - ii Stocks and stores are all accounted for. This will be done through comparison of the physical stocks and the balances reflected on the ledger/bin card and system.

#### **9.5 Stock Reconciliation**

- 9.5.1 Following the regular or annual stock taking exercise, any shortages/ discrepancies noted will be investigated and appropriate action taken.
- 9.5.2 Any damaged or defective items will also be noted and separated from the good ones.
- 9.5.3 The ledgers, system and bin cards will then be appropriately amended to reflect the shortages noted, and / or any defective/ damaged stock items identified.

## **10.0 DISPOSAL OF STORES AND EQUIPMENT**

### **10.1 Introduction**

All Disposals shall be done upon approval by the Board of Directors. An Accounting Officer shall not dispose-off assets to an employee or associates of the College or a member of the Board. An Accounting Officer who, pursuant to artificial valuation, disposes off assets to an employee or associates of the College or a member of the Board commits an offense.

- 10.1.1 Where College stores, plant and equipment become unserviceable as a fair wear and tear or become obsolete, the chairperson/ Head of department will be required to compile a list of these items for submission to Head of Procurement Function.
- 10.1.2 The Procurement Section under the guidance of the Supply Chain Manager shall: Coordinate the exercise of compiling a list of all unserviceable and obsolete furniture, plant and equipment. The procurement Function shall receive and submit the lists to the CEO through the Supply Chain Manager.

- 10.1.3 Every department shall submit its list of obsolete or unserviceable store, plant and equipment, if any, by 31<sup>st</sup> of July every year.

## 10.2 Disposal of Stores

- 10.2.1 There shall be an annual disposal of these items within three (3) months to the end of the financial year (by 30<sup>th</sup> April).
- 10.2.2 The disposal shall be carried out by a Disposal Committee established in accordance with Section 163(1) of the Act.
- 10.2.3 The CEO shall convene a disposal committee, which shall include senior qualified officers including a representative from the user department, Internal Audit, the Finance Section and external experts where necessary. Disposal shall only be effected on the recommendations of the Disposal Committee.
- 10.2.4 The disposal committee shall submit a report to the CEO with recommendations on the best mode of disposal including a reserve price where applicable.
- 10.2.5 The recommended methods of disposal as per Section 165 of the Act 2015 includes:
- i Transfer to another public entity or part of another public entity, with or without financial adjustment.
  - ii Sale by tender.
  - iii Sale by public auction to the highest bidder subject to a reserve price.
  - iv Trade -in.
  - v Waste disposal management or,
  - vi As may be prescribed
- 10.2.6 For consumables or perishable items, an ad hoc Disposal Committee constituted shall decide on the most appropriate disposal action. Technical personnel may be invited where necessary.
- 10.2.7 All other immovable property of the College shall not be sold or otherwise be disposed of without the authority of the College Board of Directors.
- 10.2.8 Disposal of the items whose estimated salvage value is within the threshold of the College Board of Directors will only occur after recommendation of disposal Committee, forwarded to the Finance, Planning and Development Committee for onward submission to the Board.
- 10.2.9 Disposal Committee shall then proceed to dispose of the obsolete items. However, the CEO reserves the right to award or reject recommendations to dispose of with reasons.

## 11.0 SUPPLIER EVALUATION, MARKET SURVEY AND RECORD MANAGEMENT

### 11.1 Introduction

In order to achieve competitive advantage and a cost effective Procurement Section, the College requires a well-developed and effective system of supplier evaluation and market survey.

### 11.2 Supplier Evaluation

- 11.2.1 Supplier evaluation refers to determination of the supplier's capability to meet institutional demands of quality, quantity and timelessness of orders. The emphasis is on preventing receipt of defective materials rather than detecting defects at a later stage. Supplier evaluation shall therefore assist in prior assessment of supplier capacity and competence. The aim of the College is to obtain goods of the required quality and reliability at the most favourable; price i.e. the best value for money.
- 11.2.2 Supplier evaluation shall be objective, logical, consistent and fair. The resulting ratings or rankings shall be used to develop and update a supplier database for use in pre-qualifying suppliers and carrying out a market survey.
- 11.2.3 The following factors shall be considered during supplier evaluation: quality control records, timelessness in delivery, shortages, license, credit terms, reputation, management, location/ proximity, early/ late consignments, rejects for quality deficiency, after-sale services, compatibility with existing equipment, ease of communication for everyone, consistency in the quality of items and variations in the prices tendered/ outdated within a given period.
- 11.2.4 The College shall draw the attention of all suppliers to the fact that their continued business relationship with the institution will depend on past performance and timeliness in fulfilling tender obligations.

### 11.3 Market Survey

The Procurement Function shall have a section dedicated to market survey. The Section shall conduct continuous market surveys and develop an internal resource base (data bank). This shall be used by the College for price comparisons and establishment for market trends. The data bank shall be used for both technical and financial evaluation of bids. There shall be a Market Survey Section which shall carry out surveys in other institutions using similar goods, services or works using a survey tool. Engineer estimates should not be relied on in totality without market survey. No contract will be entered into without having carried out a market survey.

### 11.4 Records Management

- i The College shall ensure the Procurement Section is staffed with a qualified records manager to facilitate proper keeping and retrieval of procurement files and tender documents.
- ii Procurement documents shall be kept for at least six (6) years from the date of opening



- iii Procurement files will contain all relevant documents including payment vouchers and contract close out certificate.
- iv No officer shall tamper with tender documents or cause disappearance of tender documents in any way. Procurement officers shall be responsible for files/tender documents under their custody during and after evaluation.
- v Files submitted for annual audit shall be under the care of finance officer during audit period and shall be returned officially to Head of Procurement after audit.
- vi No procurement file or tender document shall be issued to any officer without prior approval of CEO through Head of Procurement.

The records for procurement shall include: -

- i. A brief description of the goods, works or services being procured;
- ii. If a procedure other than open tendering was used, the reasons for doing so;
- iii. If, as part of the procurement procedure, anything was advertised in a newspaper or other publication, a copy of that advertisement as it appeared in that newspaper or publication;

For each tender, proposal or quotation that was submitted, the following shall form the records: -

- i. The name and address of the person making the submission;
- ii. The price, or basis of determining the price, and a summary of the other principal terms and conditions of the tender, proposal or quotation;
- iii. A summary of the proceedings of the opening of tenders, evaluation and comparison of the tenders, proposals or quotations, including the evaluation criteria used as prescribed;
- iv. If the procurement proceedings were terminated without resulting in a contract, an explanation why they were terminated;
- v. A copy of every payment voucher showing payment was made to the supplier awarded the tender
- vi. Such other information or documents that are necessary.

## **12.0 ETHICS IN PUBLIC PROCUREMENT**

**12.1** Upholding of ethics is important to the integrity of the entire procurement process. The College shall require all members of staff to maintain the highest level of ethical conduct and honesty when performing procurement duties.

**12.2** All staff in the procurement department shall be expected to observe professional ethics and guidelines by the Acted Institute of Purchasing & Supply (CIPS). Provisions of chapter six of the Constitution of Kenya and the Public Officer Ethics Act, 2003 shall also apply in regulating ethical conduct of all members of staff involved in the procurement process.

### **12.3 The guiding ethical principles shall include the following:**

- i Staff involved in the procurement process shall avoid engaging in practices or transactions that create conflict of interest.
- ii All members of staff involved in the procurement process shall ensure that the College obtains the best value for money through the procured materials, services, works and equipment.
- iii College employees shall be required to avoid arrangements that might in the long term prevent the effective operation of fair competition.
- iv Employees shall not accept or receive gifts from current or potential suppliers unless such gifts are of very small intrinsic value and are of advertisement nature such as calendars, diaries, and pens.

- v Employees shall refrain from any business hospitality that might be viewed by others as likely to influence procurement decisions by the College.
- vi Care should be taken to avoid splitting of orders for specific works, services or materials by ensuring that the approval is within the prescribed authority ceilings.
- vii Care should be taken before requesting for variations to ensure such request is within the Act 2015 and its regulations 2006.
- viii Staff should not obstruct procurement process or collude with contractors or employees to defraud the College.

This Manual is subject to change from time to time.

## APPROVAL

**Title** : Procurement Manual

**Contact** : Deputy Director Finance and Administration

**Approval Authority** : The Board of Directors

**Commencement Date** : May 2019

### SIGNED



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**Prof. Philip Kaloki, MBS,  
Chairperson, KMTC Board of Directors.**

**15th May 2019**

**Date**



KMTC is ISO 9001:2015 Certified.

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