



SUPPLY CHAIN MANAGEMENT POLICIES AND PROCEDURES MANUAL

APRIL 2022





POLICYHOLDERS COMPENSATION FUND

Dhamana Ya Bima Yako




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DOCUMENT APPROVAL PAGE

 <p>POLICYHOLDERS COMPENSATION FUND</p> <p>Dhamana ya Bima Yako</p>	<p>POLICYHOLDERS COMPENSATION FUND</p>	
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<p>Approved By the Fund's Board of Trustees</p> <p>.....</p> <p>FCPA Muthoni Wangai CHAIRPERSON</p> <p>Date:</p>		

POLICYHOLDERS COMPENSATION FUND

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FOREWORD

On behalf of the Policyholders Compensation Fund (PCF) Board of Trustees, I am delighted to approve this Supply Chain Policies and Procedure Manual for use by Management. The PCF Board is determined to improve access to and equity of quality policy holder compensation and to ensure that the fund plays its role in the realization of Sustainable Development Goals (SDG's), Vision 2030, insurance sector policies and the government agenda on the "Big Four".

Towards this end, the PCF Board of Trustees under my leadership is determined to critically address the task of defining long-term strategies for addressing the constraints that may be encountered in implementation of this policy and procedure manual

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 supply chain and procedure 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 the fund to undertake public procurement in accordance with the law. It is intended to guide supply chain management and its stakeholders. It also intends to enhance understanding and achieve uniformity in procurement processes as a guideline document.

I believe successful implementation of the Supply Chain Policies and Procedure Manual will be realized through total commitment of the entire management, staff and other key stakeholders.

FCPA Muthoni Wangai

CHAIRPERSON- BOARD OF TRUSTEES'.

PREFACE

These policies and procedures manual provides a framework in the day to day supply chain management operations which will greatly enhance efficiency, transparency and accountability in the Fund. The manual describes detailed procurement procedures to be followed by the Fund and outlines various steps to help the fund staff in acquisition, stores and logistics of goods, services, works and selection of consultants efficiently and economically.

The procurement processes set out in this Manual have reference to the salient provisions of Article 227 of the Constitution of Kenya 2010, the Public Procurement and Asset Disposal Act, 2015, relevant procurement regulations, circulars and presidential or cabinet directives from time to time. Users should therefore familiarize themselves with the policy and procedures therein along with legal documents and regulations to address the risks of waste, and better management of resources.

The Fund shall review the supply chain management policy and procedures manual from time to time due to changes in legislation and within a period not exceeding five years.

The Head of Supply Chain Management shall communicate all amendments in writing in order to provide assurance that the policy and procedures remain consistent with the fund's mandate, objectives, roles and responsibilities.

William O. Masita

MANAGING TRUSTEE

ABBREVIATIONS

AGPO	Access to Government Procurement Opportunities
AMSCM	Assistant Manager Supply Chain Management
EOI	Expression of Interest
HOD	Head of Department
HOL	Head of Legal
HOP	Head of Procurement
HOS	Head of Stores
IAC	Inspection and Acceptance Committee
LPO	Local Purchase Order
LSO	Local Service Order
MT	Managing Trustee
MTEF	Medium Term Expenditure Framework
NT	National Treasury
PCF	Policyholders Compensation Fund
PPADA	Public Procurement and Asset Disposal Act 2015
PPRA	Public Procurement Regulatory Authority
PPRAB	Public Procurement Review Advisory Board
RFP	Request for Proposal
RFQ	Request for Quotation
SCMO	Supply Chain Management Officer

DEFINITION OF TERMS

Act	The Public Procurement and Asset Disposal Act, 2015
Airway Bill	A document used to track goods shipped by an international courier
Authority	The Public Procurement Regulatory Authority
Award	The process of awarding a contract that ensues from the notification to the selected vendor
Bid	A standard document, for the purpose of procuring goods, works, services or consulting services
Bidder	A supplier, contractor or service provider
Bill of Lading	A document issued by courier to acknowledge receipt of cargo for shipment
Circulars	The National Treasury Circulars issued from time to time
Complex	When the specification is difficult or is an innovation
Constitution	Constitution of the Republic of Kenya
Contract	A legally bidding agreement between two parties
Direct Tender	A method of procurement that does not require the use of competitive bidding
Electronic Advertisement	Advertising on the Fund 's website
Electronic Notification	Alerting suppliers through email or text messages
Executive Order	A rule or order issued by the President to an Executive Branch of the Government and having the force of law

Fund	The Policyholders Compensation Fund
Head of Procurement	The member of staff who is in charge of procurement activities and takes responsibility of the roles prescribed in the Act.
Managing Trustee	Accounting officer/Chief Executive Officer
Obsolete	A state of being that occurs when an object or service is no longer useful for the intended purpose.
Open Tender	It is a method of procurement that opens competition to the market without any restriction
Packing list	A document that includes details about the contents of a package
Procurement Cycle	A series of steps that are taken to purchase any product or service required
Procurement Plan	The document prepared by each procuring entity annually to plan all procurement requirements
Regulations	Public Procurement Regulation, 2006
Store keeping Unit	A number that is assigned to a product for the purpose of inventory management and ease of record-keeping
Supply Chain	The flow of goods, works or services from source to user
Threshold	Ceiling amount above which a procurement method cannot be applied
User	The initiator and consumer of goods, works and services

ACKNOWLEDGEMENT

Acknowledgement goes to the Fund's Staff who in one way or the other contributed towards the preparation of the Supply Chain Management Policies and Procedures Manual. The participation and support from the Board of Trustees, Managing Trustee and the secretariat staff contributed significantly to the development of this Manual.

Continued support from all stakeholders will ensure the successful implementation of this manual.



TABLE OF CONTENTS

DOCUMENT APPROVAL PAGE	II
FOREWORD	IV
PREFACE	V
ABBREVIATIONS.....	VI
DEFINITION OF TERMS.....	VII
ACKNOWLEDGEMENT	IX
LIST OF TABLES.....	XVI
LIST OF FIGURES	XVI
 CHAPTER 1: INTRODUCTION	 17
1.1 Overview of Policyholders Compensation Fund	17
1.1.1 Vision.....	17
1.1.2 Mission Statement	17
1.1.3 Core Values.....	17
1.1.4 Mandate of the Fund	17
1.1 Policy Statement.....	18
1.2 Purpose of the Supply Chain Policy and Procedure Manual	18
1.2.1 In case of Conflict	19
1.3 The Legal Framework.....	19
1.4 Guiding Principles	19
 CHAPTER 2: ESTABLISHMENT AND FUNCTIONS	 21
2.1 The Structure of the Supply Chain Management Department.....	21
2.2 Functions of the Department of Supply Chain Management.....	21
2.2.1 Responsibilities of the Board.....	22
2.2.2 Responsibilities of the Managing Trustee	23
2.2.3 Responsibilities of Head of Procurement.....	24

2.2.4 Responsibilities of Users	24
2.3 Performance Targets.....	25
CHAPTER 3: PRINCIPLES OF PROCUREMENT AND CODE OF ETHICS	28
3.1 Introduction	28
3.2 Principles of Procurement.....	28
3.3 Procurement Code of Ethics	29
3.3.1 Conflict of Interest	30
3.3.2 Confidentiality and Accuracy of Information	30
3.3.3 Collusion	30
CHAPTER 4: SUPPLY CHAIN MANAGEMENT PROCESS.....	31
4.1 The Procurement Process.....	31
4.2 Procurement Cycle.....	31
4.3 Procurement Plan.....	33
4.3.1 Purpose of Procurement Planning	33
4.3.2 Procedure for Preparing the Procurement Plan	33
4.4 User Department Procurement Plan	34
4.5 Preparation of Specifications.....	34
4.5.1 Factors to Consider in Preparation of Technical Specifications	35
4.6 Purchase Requisition	35
4.6.1 Procedures of Preparing Purchase Requisition	35
4.7 Pre-Qualification of Suppliers / Tender/Bid Documents	36
4.7.1 Criteria for Determining the Eligibility of Bidders	36
4.7.2 Procedure for Pre-Qualification of Suppliers	37
4.8 Tender / Quotation Opening Committee	38
4.8.1 Composition of Opening Committee.....	38
4.8.2 Functions of Opening Committee	39

4.9 Tender / Quotation Evaluation Committee.....	40
4.9.1 Composition of Evaluation Committee.....	40
4.9.2 Functions of the Evaluation Committee.....	40
4.10 Inspection and Acceptance Committee.....	42
4.10.1 Composition of Inspection and Acceptance Committee	42
4.10.2 Functions of Inspection and Acceptance Committee.....	42
4.11 The Disposal Committee.....	42
4.11.1 Composition of the Disposal Committee.....	43
4.11.2 Functions of the Disposal Committee	43
4.12 Tender Opening Procedure	43
4.13 Evaluation of the Pre-Qualification Bids	44
4.14 Professional Opinion	44
4.15 Notification of Successful and Non-Successful Bidders.....	46
4.16 Uploading of Registered Suppliers	46
4.17 Tender Processing.....	46
4.18 Receipt, Inspection and Acceptance of Goods, Works, Services and Consulting Services	52

Dhamana ya Bima Yako

CHAPTER 5: METHOD OF PROCUREMENT.....	54
5.1 Introduction	54
5.2 Open Tendering	54
5.2.1 Procedure for Advertising Open Tendering.....	55
5.3 Restricted Tendering	55
5.3.1 Procedure for Restricted Tendering.....	56
5.4 Direct Procurement.....	56
5.4.1 Procedure for Direct Procurement	57
5.5 Request for Quotations.....	57
5.5.1 Content of a Request for Quotation	58

5.6 Determining the Successful Bidder	58
5.7 Reasons for Termination / Cancellation.....	59
5.8 Requests for Proposal	60

CHAPTER 6: STORES AND INVENTORY MANAGEMENT 63

6.1 Introduction	63
6.2 Stores and Inventory Management Operations.....	63
6.3 Procedure for Receiving, Inspection and Acceptance of Goods, Works and Services.....	64
6.3.1 Receiving of Goods.....	64
6.4 Management of Inventory, Stores and Assets.	66
6.4.1 Stock Taking Cycles.....	66
6.4.2 Stock Taking Procedures	66
6.4.3 Issuance of Stocks from the Stores / Store.....	66
6.4.4 Procedures	66

CHAPTER 7: DISPOSAL OF ASSETS..... 68

7.1 Introduction	68
7.2 Necessity for Disposal	68
7.3 Appointment of Disposal Committee	68
7.4 Responsibilities of the Disposal Committee.....	69
7.5 Annual Disposal Planning of Stores and Equipment	69
7.5.1 Disposal Plan.....	69
7.5.2 Contents of Annual Disposal Plan	70
7.5.3 Procedures for Disposal.....	71
7.5.4 Justification and Delineation of the Disposal Requirement	72

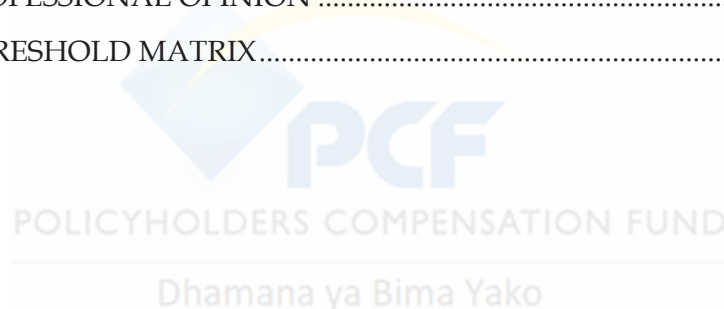
CHAPTER 8: RISK MANAGEMENT 73

8.1 Introduction	73
8.2 Risk Management in the Procurement Process	73
8.2.1 Procurement Planning	73

8.2.2	Development of Specifications	74
8.2.3	Preparation of Tender Documents	75
8.2.4	Advertising / Sourcing	76
8.2.5	Receipt and Opening of Bids	76
8.2.6	Evaluation of Bids	77
8.2.7	Evaluation Report Review and Award	78
8.2.8	Contract Signing and Issuance	78
8.2.9	Contract Administration/Management	80
8.2.10	Inventory and Logistics	81



APPENDICES	82
APPENDIX 1: AMENDMENT SHEET	82
APPENDIX 2: AWARD LETTER TEMPLATE	83
APPENDIX 3: PROCUREMENT PLAN TEMPLATE.....	84
APPENDIX 4: PROCUREMENT STATUTORY REPORTS.....	85
APPENDIX 5: STORE REQUISITION.....	86
APPENDIX 6: PURCHASE REQUISITION	87
APPENDIX 7: REQUEST FOR QUOTATION FORM- THIS TEMPLATE IS NO LONGER IN USE.....	88
APPENDIX 8: LOCAL SERVICE ORDER	89
APPENDIX 9: LOCAL PURCHASE ORDER.....	90
APPENDIX 10: STORES LEDGER AND STOCK CONTROL CARD (S3 CARD).....	91
APPENDIX 11: PROFESSIONAL OPINION	92
APPENDIX 12: THRESHOLD MATRIX.....	95



LIST OF TABLES

Table 1: Responsibility Matrix	25
Table 2: Composition of Tender Opening Committee	38
Table 3: Composition of Tender Evaluation Committee	40
Table 4: Duration of Advertisement for Open Tendering	55

LIST OF FIGURES

Figure 1: Supply Chain Management Organogram	21
Figure 2: Procurement Cycle.....	32



CHAPTER 1: INTRODUCTION

1.1 Overview of Policyholders Compensation Fund

The Policyholders Compensation Fund is a State Corporation under the National Treasury and Planning, established within the Insurance Act, Cap 487 Laws of Kenya (herein after referred to as “the Act”) to pay compensation to the claimants of an insurer placed under a manager appointed under section 67C (2) or whose license has been cancelled under the Act. The entity is domiciled in Kenya. The vision, mission, core values and core function of the Fund include:

1.1.1 Vision

“To be a Highly Respected Policyholders Compensation Fund”.

1.1.2 Mission Statement

“To enhance confidence in the insurance industry through timely compensation of policyholders of a company placed under a statutory manager or whose license has been cancelled”.

1.1.3 Core Values

- a) Integrity
- b) Teamwork
- c) Innovation
- d) Customer-centric
- e) Accountability

1.1.4 Mandate of the Fund

The Policyholders Compensation Fund is mandated to:

- a) Provide compensation to the policyholders of an insurance company under Statutory Management;
- b) Monitor, in consultation with the Commissioner where necessary, the risk profile of any insurer;

- c) Advise the Minister on the national policy to be followed regarding matters relating to compensation of policyholders and to implement all government policies relating thereto;
- d) Participate in the statutory management of an insurer placed under statutory management by the regulator;
- e) Liquidate an insurer as may be ordered by a court; and
- f) Perform such other functions as may be conferred on it by this Act or by any other written law.

1.1 Policy Statement

The Fund shall adopt best practices that promote fair competition, transparency, accountability, equity and value for money in all procurements; and use methods of aggregation where appropriate in order to take advantage of economies of scale.

1.2 Purpose of the Supply Chain Policy and Procedure Manual

The main objective of this Manual is to provide adequate guidance on procurement and asset disposal. The Manual covers both policy and procedures to strengthen the pillars of public procurement which include transparency, accountability and value for money, competition, non-discrimination and integrity. Specifically, the Manual seeks to:

- a) Fulfill the requirements of the Public Procurement and Asset Disposal Act, 2015 and Public Procurement and Asset Disposal Regulations, 2020;
- b) Provide easily understood guidelines and operational instructions on all matters relating to procurement and disposal activities within Fund.
- c) Explain the rules and define the relationships of employees involved in the procurement cycle;
- d) Serve as a training guide for new employees as well as a refresher guide for the professionals already in place;
- e) Guide procurement and stores management financed through internally generated revenue.

1.2.1 In case of Conflict

- a) In case of conflict with other Acts and international agreements, the Public Procurement and Asset Disposal Act, 2015 and Public Procurement and Asset Disposal Regulations, 2020; shall apply subject to section 6 of the PPADA, 2015.
- b) If there is a conflict between this manual and Public Procurement and Asset Disposal Act, 2015 and its Regulations, the latter shall apply.

1.3 The Legal Framework

The PCF, supply chain management policies and procedures manual is established to ensure that the adopted procurement processes allow appropriate levels of control and probity as anchored under:

- a) The Constitution of Kenya, 2010 - Article 227
- b) The Public Procurement and Asset Disposal Act, 2015
- c) The Public Procurement Regulations, 2020
- d) Public Finance Management Act, 2012
- e) Preference and Reservation regulation, 2011
- f) The Public Procurement and Disposal (Preference and Reservation) (amendments), 2013
- g) The Public Procurement and Disposal (amendments) Regulations, 2013
- h) Public Procurement Regulatory Authority circulars
- i) Executive orders, National Treasury circulars

1.4 Guiding Principles

- a) The procurement function of the Fund is anchored on the provisions of the outlined statutory guidelines, Executive orders, National Treasury circulars, PPRA circulars, the Fund financial regulations, and other enabling statutes of the Fund.
- b) The procurement function of the Fund is also premised on sound professional principles, practices and ethics that apply in the area of Purchasing and supplies. Thus, the Fund recognizes and applies, in its procurement operations, guidelines by the professional bodies of Purchasing and Supplies.

- c) The Procurement and Disposal Manual deals with the procurement of goods, works and services in the Fund. The manual provides the respective policy guidelines and procedures in the procurement process.
- d) The Fund 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 the efficiency.
- e) Procurement staff in the Fund shall endeavor to efficiently fulfill these five procurement objectives:
 - i) Right quality of services/works and goods;
 - ii) Goods and services made available at the right time;
 - iii) Goods and services at the right place;
 - iv) Goods and services in the right quantity subject to the availability of funds;
and
 - v) At the right price.
- f) The Fund 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.

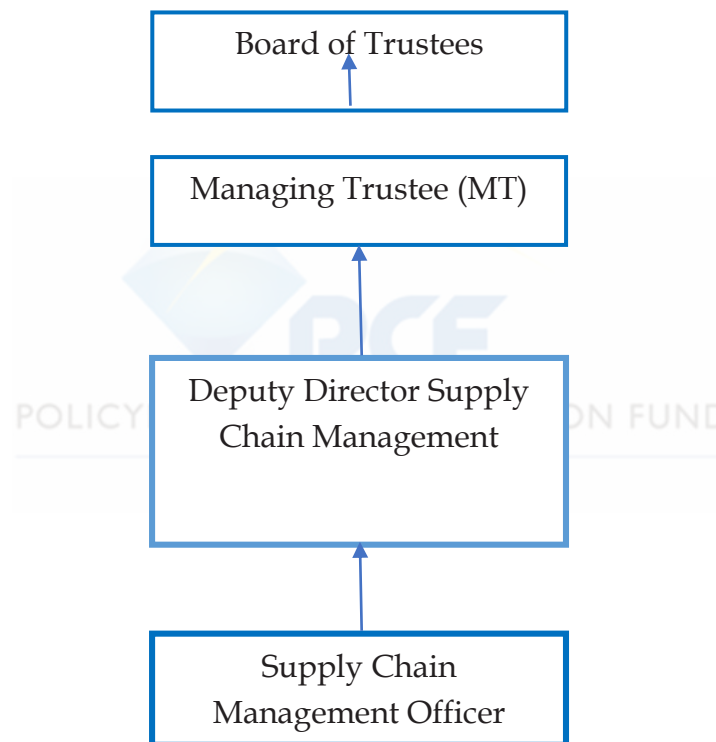
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CHAPTER 2: ESTABLISHMENT AND FUNCTIONS

2.1 The Structure of the Supply Chain Management Department

The efficient operation of the Department of Supply Chain Management is strategic to the Fund in achieving its mandate through a proper administrative structure and well spelled out responsibilities.

Figure 1: Supply Chain Management Organogram



2.2 Functions of the Department of Supply Chain Management

- a) Manage supplier registration;
- b) Facilitate procurement and disposal processes including invitations to tender, request for quotations and proposals, pre-qualification documents and invitations for expressions of interest; and coordinate the receiving and opening of tender documents;

- c) Propose the membership of opening, evaluation, negotiations and Inspection and Acceptance Committees to the Managing Trustee for consideration and appointment;
- d) Prepare and publish tender awards; contract documents in line with the award decision; prepare and issue debriefing letters;
- e) Prepare contract variations and modifications documents;
- f) Implement the decisions of the Managing Trustee, including disposal committee and coordinating all procurement activities;
- g) Act as a secretariat to the evaluation, inspection and acceptance, and disposal committees;
- h) Prepare and submit statutory reports to the National Treasury, PPRA and PPARB as stipulated in the Act;
- i) Monitor contract management by user departments to ensure implementation of contracts in accordance with the terms and conditions of the contracts;
- j) Report any significant departures from the terms and conditions of the contract to the Managing Trustee (MT);
- k) Recommend transfer of a procurement or asset disposal responsibility to another Fund by the MT when need arises;
- l) Prepare consolidated procurement and asset disposal plans;
- m) Carry out market surveys to inform the placing of orders or adjudication by the relevant awarding authority;
- n) Conduct periodic and annual stock taking;
- o) Certify the invoices to facilitate payment to suppliers;
- p) Recommend extension of the tender validity period where applicable
- q) Regulations and any other functions that might be stipulated by the National Treasury;
- r) Reporting to the Finance and Procurement Committee of the Fund.

2.2.1 Responsibilities of the Board

In accordance with Section 45 of the Public Procurement and Asset Disposal Act, 2015, Procurement and Disposal decisions are required to be made in a systematic and structured way.

Hence, Regulation 40 (4) mandates the board to approve an annual Procurement Plan as well as an annual Disposal Plan. The Board may also consider monitoring the Supply Chain Management Department through the Finance and Management Committee and/or the Audit and Risk Management Committee set forth under the State Corporations Act.

2.2.2 Responsibilities of the Managing Trustee

The Managing Trustee of the Fund shall be primarily responsible for;

- a) Ensuring that procurements of goods, works and services are within the approved budget;
- b) Constituting all procurement and asset disposal committees in accordance with the Act;
- c) Ensuring procurement plans are prepared in conformity with the medium term fiscal framework and fiscal policy objectives and, subject to subsection (3), submit them to the National Treasury;
- d) Ensuring proper documentation of procurement proceedings and safe custody of all procurement records in accordance with the Act;
- e) Compliance with the Public Finance Management Act, 2012 entirely with specific reference to Sections 68, 147, 148 and 149;
- f) Approving and signing all contracts of the Fund;
- g) Ensuring the procurement and asset disposal process of the Fund shall comply with this Act;
- h) Ensuring that the procurement processes are handled by different professional offices in respect of procurements, initiation, processing and receipt of goods, works and services;
- i) Submitting to the Authority the part in its procurement plan demonstrating application of preference and reservations schemes in relation to the procurement budget within sixty days after commencement of the financial year; and
- j) Ensuring compliance with any other responsibilities assigned by this Act or any other Act of Parliament or as may be prescribed in Regulations.

2.2.3 Responsibilities of Head of Procurement

The Head of the Procurement function shall among other functions, be responsible for rendering procurement professional advice to the Managing Trustee. The Head of Supply Chain Management is required to assist the Managing Trustee achieve the department's functional responsibilities as delegated. He shall discharge some of the responsibilities by delegating them to the Procurement and Stores functions.

2.2.4 Responsibilities of Users

The user department shall be responsible for:

- a) Initiating procurement, disposal requirements and forwarding them to the supply chain department;
- b) Participating in the evaluation of tenders, proposals and quotations;
- c) Reporting any departure from the terms and conditions of the contract to the supply chain department;
- d) Forwarding details of any required variations to contracts to the supply chain department for consideration and action;
- e) Maintaining and archiving records of contract management;
- f) Preparing any reports required for submission to the supply chain department, the procurement committee the Managing Trustee;
- g) Undertaking conformity assessments of supplied goods, works and services with the specifications of the contract documents;
- h) Endorsing the issuance of goods, works and services received notes;
- i) Preparing technical specifications and submitting the same to the supply chain department;
- j) Assisting in the preparation of procurement and disposal plans;
- k) Making clarifications on tenders, requests for quotations and any other matter as may be required; and
- l) Carrying out any other functions and duties as may be provided under the Act or these Regulations, or as may be stipulated by the Authority.

2.3 Performance Targets

In order to ensure that the Managing Trustee's decisions are made in a systematic and structured way, the Fund shall establish systems and procedures to facilitate decision making for procurement and asset disposal.

The Fund shall ensure that the supply chain department sets out performance targets that will provide measurable criteria upon which; its performance shall be evaluated. This policy will ensure that quality service and procurement activities are completed within set lead times. A Responsibility Matrix will guide timelines and targets for performance enhancement.

Table 1: Responsibility Matrix

The below Matrix is a step-by-step guidelines on the procurement procedures and responsibilities for the Fund.

TASKS	TIMELINES	RESPONSIBILITY
Need Identification	By 30 th June of the preceding financial year; in the procurement plan	User
Preparations of Annual procurement plan	By 30 th June before the end of the financial year	HOD
Consolidate Annual Procurement Plans	Within 60 days from 30 th June	HOP
Specification preparations	As per need	User
Activity Approvals	14 days	User
Budget Approvals/Procurement Requisition	14 days	User
Approval for use of appropriate procurement method	7 days	HOP

TASKS	TIMELINES	RESPONSIBILITY
Preparations of bidding documents	3 days upon receiving specifications, AIE approval, requisition for procurement approval and budget approval	HOP
Tender advertisement	21 days for International open tender 14 days for National open tender 14 days for Restricted tender 14 days for Request for proposal	HOP
Tender Opening	One day during closure of the bidding process	HOP
Tender Evaluation	Within 30 days.	HOP
Professional Opinion	Within 1 day upon receiving the evaluation report	HOP
Notification of Award	1 day	HOP
Acceptance Notification	14 days	HOP
Contract preparations	Within 3 days only after 14 days have elapsed upon notification of award.	HOP
Contract review and signing	7 days	MT & Head of Legal
Up loading of the contract to the PPRA portal	Within the quarter	HOP
Generating LPO/LSO	1 day	HOP
Reporting of a direct procurement proceeding to PPRA	Within 14 days after notification of award	HOP
Goods Delivery	As per Contract	HOP

TASKS	TIMELINES	RESPONSIBILITY
Inspection of goods and services	Within 2 days upon delivery of goods.	HOP
Submission of invoices for payment	Within 3 days upon inspection and acceptance	HOP
Monthly Inventory Reports	By 5 th of the following month	HOP



CHAPTER 3: PRINCIPLES OF PROCUREMENT AND CODE OF ETHICS

3.1 Introduction

The Fund shall be guided by the following values and principles of the Constitution and relevant legislation:

- a) The national values and principles provided for under Article 10;
- b) The equality and freedom from discrimination provided for under Article 27;
- c) Affirmative action programs provided for under Articles 55 and 56;
- d) Principles of integrity under the Leadership and Integrity Act, 2012;
- e) The principles of public finance under Article 201;
- f) The values and principles of public service as provided for under Article 232;
- g) Principles governing the procurement profession, international norms;
- h) Maximization of value for money;
- i) Promotion of local industry, sustainable development and protection of the environment; and
- j) Promotion of citizen contractors.

3.2 Principles of Procurement

Article 227 (1) of the Constitution provides that when a State organ or any other public entity contracts for goods or services, it shall do so in accordance with a system that is fair, equitable, transparent, competitive and cost-effective. In Article 227(2), the Constitution provides that an Act of Parliament shall prescribe a framework within which policies relating to procurement and asset disposal shall be implemented and may provide for all or any of the following:

- a) categories of preference in the allocation of contracts;
- b) the protection or advancement of persons, categories of persons or groups previously disadvantaged by unfair competition or discrimination;
- c) sanctions against contractors that have not performed according to professionally regulated procedures, contractual agreements or legislation; and
- d) sanctions against persons who have defaulted on their tax obligations, or have been guilty of corrupt practices or serious violations of employment laws and practices.

At PCF, the policies relating to procurement and asset disposal will be anchored in the following principles:

- a) ***Fairness*** - The tender documents must contain mandatory requirements, and evaluation criteria that allow all bidders to compete on same level playing ground.
- b) ***Equity*** - Based on the principle of evenhanded dealing, the Fund shall be fair and impartial in all procurement proceedings.
- c) ***Transparency*** - The Fund shall be honest and open through the procurement cycle criteria and activities.
- d) ***Competitiveness*** - The successful bidders shall be the ones who, through competing with others, exude an edge in price, quality and specialization.
- e) ***Cost-Effective/Value for Money*** - Goods, services, works or consultancy services shall be procured in a manner that would ensure the lowest responsive offer, taking into account quality of the goods and efficiency of the supplier.
- f) ***Efficiency*** - All the activities must be planned beforehand to ensure the procurement proceedings meet certain time thresholds. The Fund must ensure that names of the personnel to be appointed into committees are provided by the relevant departments in good time.
- g) ***Accountability and Ethical Standards*** - Procurement should be credible and should be enforced in a manner that would help deter fraud, collusion and corruption.

In order that procurement practices contribute to the achievement of these objectives it is crucial that the Fund adhere to the requirements of the legal and regulatory framework by complying with the procedures and guidelines outlined in this Manual.

3.3 Procurement Code of Ethics

All procurement processes will be guided by Code of Ethics developed by the authority and every procuring employee will adhere to it. All procurement activities shall be executed in consistence with the highest professional, ethical, and moral standards. Persons involved in the procurement function shall not use their status within the Fund for personal gain and must maintain honesty and fairness while executing their responsibilities.

3.3.1 Conflict of Interest

Any employee or agent of the Fund or a member of the management or committee who has a conflict of interest with respect to procurement shall not:

- a) Take part in the procurement proceedings; and after a procurement contract has been entered into, take part in any decision relating to the procurement or contract;
- b) Be a subcontractor for the bidder to whom was awarded contract, or a member of the group of bidders to whom the contract was awarded, but the subcontractor appointed shall meet all the requirements of the Act;

3.3.2 Confidentiality and Accuracy of Information

During or after procurement, no employee or agent of the Fund or committee shall disclose any information as relates to any procurement proceedings. All employees or agents or members of the Fund plenary shall safeguard all information coming into their possession while executing their official duties. All employees are obliged to inform the Managing Trustee of any instances of breach of this policy within reasonable time.

3.3.3 Collusion

It is an offence for any person whom the Act applies, to be involved in any corrupt, coercive, obstructive, collusive or fraudulent practice; or conflicts of interest in any procurement or asset disposal proceeding. No employee or agent shall collude or attempt to collude with any other person to:

- a) Make any proposed price higher than otherwise has been the case;
- b) Have other person refrain from submitting a tender, proposal or quotation;
- c) Withdraw or change the contents of a tender, proposal or quotation;
- d) Submit a tender, proposal or quotation with a specified price or with any specified inclusions or exclusions.

CHAPTER 4: SUPPLY CHAIN MANAGEMENT PROCESS

4.1 The Procurement Process

The Fund shall adhere to the following with respect to procurement processes:

- a) Procurement planning;
- b) Procurement processing;
- c) Inventory and asset management;
- d) Disposal of assets; and
- e) Contract management.

4.2 Procurement Cycle

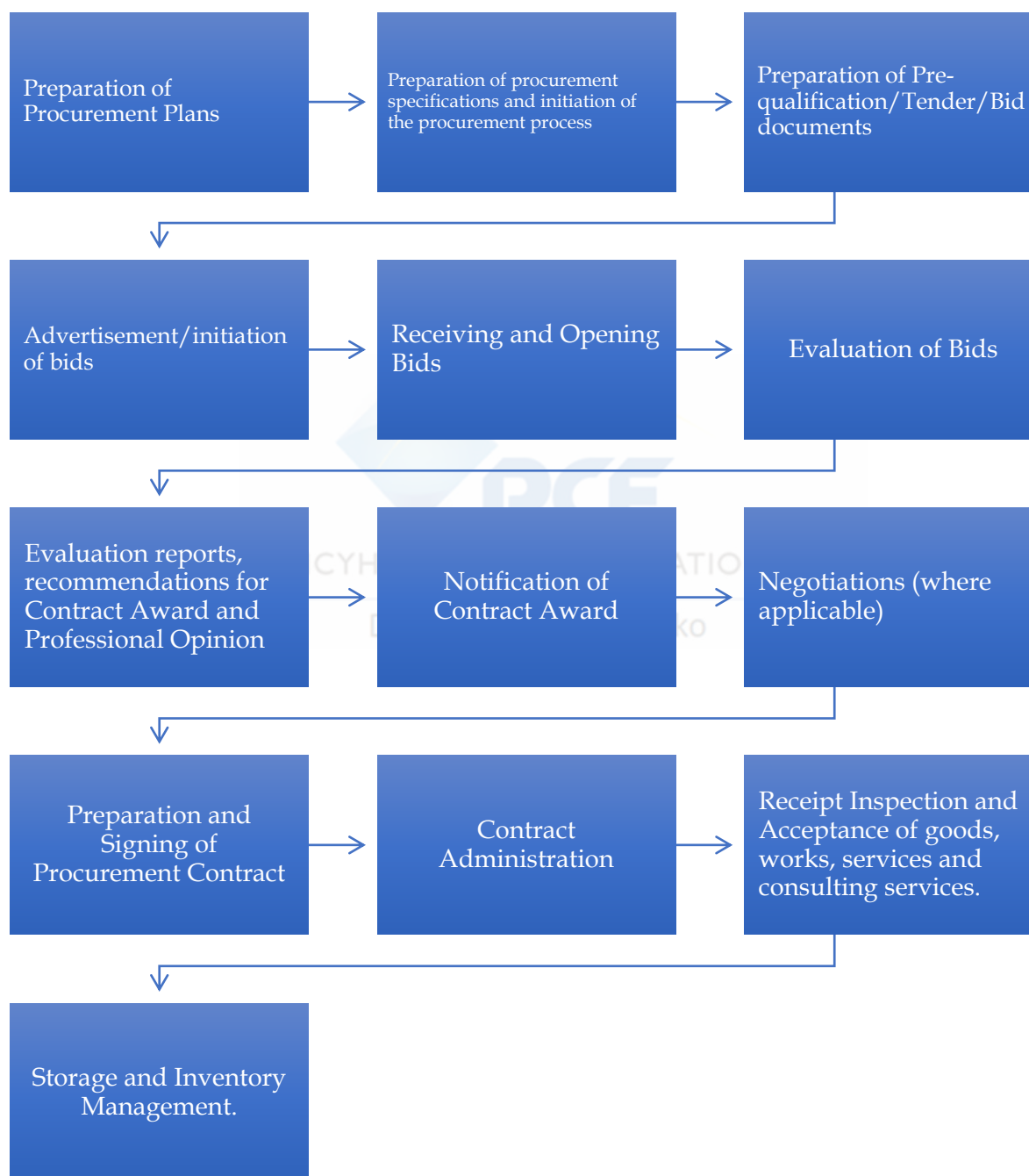
These are planning activities for the execution of the Fund's procurement requirements and assist to determine the method and duration for any financial year.

The Fund shall ensure that all statutory requirements are fully complied with in respect to Fund's procurement and within the stipulated timelines in the procurement cycle. The general policies and procedures shall be anchored in the complete procurement cycle which includes:

- a) Preparation of Procurement Plans;
- b) Preparation of procurement specifications and initiation of the procurement process;
- c) Preparation of Pre-qualification/Tender/Bid documents;
- d) Advertisements;
- e) Receiving and Opening Bids;
- f) Evaluation of Bids;
- g) Adjudication and Contract Award;
- h) Notification of Contract Award;
- i) Negotiations (where applicable);
- j) Preparation and Signing of Procurement Contract;
- k) Contract Administration;
- l) Receipt, Inspection and Acceptance of goods, works, services and consulting services; and
- m) Storage and Inventory Management
- n) Disposal.

All steps of the procurement cycle shall be properly documented and properly filed with each step being approved by the Managing Trustee. The processing and management for complete procurement cycle requires close coordination with the budget process, commitment control, and finance and expenditure management.

Figure 2: Procurement Cycle



4.3 Procurement Plan

The Managing Trustee shall prepare an annual procurement plan which is realistic in a format set out in the Regulations within the approved budget prior to the commencement of each financial year as part of the annual budget preparation process.

The Fund shall ensure that procurement planning is incorporated into the Fund's annual budgetary expenditure framework; integrating preferences and reservations; and broken down to quarterly, annual or where applicable multi-year plans.

4.3.1 Purpose of Procurement Planning

Procurement Planning directly links the procurement function to the Budget Preparation process. The user departments need to understand how each activity will be translated into individual procurement requirements and to determine the method and duration of these procurement requirements to ensure that the activities are carried out during the financial period. A procurement plan is a critical internal control tool. The Fund's procurement plan shall not be static but shall be revised from time to time in line with changing needs.

The Managing Trustee shall ensure that decisions made are in a systematic and structured way in order to facilitate decision making for procurement and asset disposal. The secretariat through the Managing Trustee shall prepare and execute the Procurement Plan. The Board of Trustees shall approve and oversee implementation of the Procurement Plan.

4.3.2 Procedure for Preparing the Procurement Plan

The preparation of Procurement plan is applicable to PCF offices. Preparation and submission of the plan shall include:

- (a) Detailing breakdown of the goods, works, or services required;
- (b) Scheduling the planned delivery, implementation or completion dates for all goods, works, or services required;
- (c) Indicating and justifying whether it shall be procured within a single-year period or under a multi-year arrangement;
- (d) Indicating the appropriate procurement method for each procurement requirement;

- (e) Ensuring that the procurement Plan is signed by the Head of the Department and approved by the MT and relevant approvers, both manually and electronically;
- (f) Submitting the plans within 60 days of the commencement of the financial year to the NT and PPRA;
- (g) Reserving a minimum 30% of the budget allocation to the AGPO;
- (h) Indicating the quarters within which expenditures and procurements will be made.

The preparation and updating of a procurement plan shall be considered as routine rather than a one-off job.

4.4 User Department Procurement Plan

Following receipt of the approved work plan, the user shall prepare a procurement plan for each individual procurement requirement which shall contain:

- a) A description of the requirement, including the schedule required for delivery, implementation or completion of the goods, works, services or consultancy;
- b) The estimated value of the requirement;
- c) The proposed procurement method;
- d) A justification for the use of any method other than open tendering and RFP;
- e) An estimate of the time required for each stage in the procurement cycle;
- f) The proposed type of contract;
- g) An indication of the resources required and available for management of the procurement process and contract administration.

4.5 Preparation of Specifications

After preparation and approval of the Procurement plan, the next important step to consider is the preparation of specifications for each procurement. It is the responsibility of the user department to prepare the specific requirements relating to the goods, works or services. This give a correct and complete description of what is to be procured, and allow fair and open competition among those who may wish to participate in the procurement process.

The Fund shall ensure that the user departments prepare specifications that conform to the need requirements

4.5.1 Factors to Consider in Preparation of Technical Specifications

The specific requirements shall include all the Fund's technical requirements with respect to the goods, works or services being procured. The technical requirements shall, where appropriate:

- a) Ensure Conformance to design, specification, functionality and performance;
- b) Must Be based on national or international standards whichever is superior;
- c) The details of the life of the item;
- d) Details of the socio-economic impact of the item;
- e) Provide information on conformance to environmental conservation;
- f) Factor in the cost disposing the item; and
- g) Factor in the cost of servicing and maintaining the item.

The technical requirements shall not refer to a particular trademark, name, patent, design, type, producer or service provider or to a specific origin unless;

- a) There is no other sufficiently precise or intelligible way to describe the requirements; and
- b) The requirements allow equivalents to what is referred to.

4.6 Purchase Requisition

The Managing Trustee shall be responsible for preparation of tender documents in consultation with the user and other relevant departments in accordance with Section 70(4) of the Act.

The Fund shall ensure that every requirement for goods, works and services are justified, recorded and duly approved. All procurement requirements shall be effected by the procurement department through a duly approved purchase requisition.

All the Fund's commitments to procurement of goods, works and services shall be effected through a Procurement requisition. Procurement requisitions shall be used to initiate procurement for all goods, works and services.

4.6.1 Procedures of Preparing Purchase Requisition

A user shall ensure a requisition(s) is raised, checked and approved by designated officers and give clear and accurate specifications. Purchase requisitions shall be prepared manually and/or electronically where applicable on a standard request form.

The standard request form shall contain the following information:

- (a) A requisition as per procurement plan
- (b) Budget approval and allocation code
- (c) Activity approval
- (d) System requisition and approvals
- (e) The approving officer who should be the Head of section/Department or Regional Head.

All Standard request forms shall be received by the Purchasing Section electronically or if manual, vide a dispatch book. The Procurement department shall counter check to confirm the accuracy and validity of the document.

4.7 Pre-Qualification of Suppliers / Tender/Bid Documents

It is the responsibility of the supply chain department to state clearly any qualification criteria in the pre-qualification or bidding document and to ensure that bidders provide signed statements or documentary evidence to certify their qualifications.

The Fund shall conduct a pre-qualification procedure as a basic requirement prior to adopting an alternative procurement method other than open tender for the purpose of identifying the best few qualified firms for the subject.

4.7.1 Criteria for Determining the Eligibility of Bidders

Eligibility of bidders for contract in procurement or an asset being disposed is met only if the bidder satisfies the following criteria:

- a) The Bidder has legal capacity through Certificate of Registration;
- b) The person is not insolvent, in receivership, bankrupt or in the process of being wound up; through audited accounts and bank accounts;
- c) The person, if a member of a regulated profession, has satisfied all the professional requirements; e.g. Valid National Construction Authority certificate in construction;
- d) The Fund is not precluded from entering into the contract with the person under section 41 of the Act;

- e) The person and his or her sub-contractor, if any, is not debarred from participating in procurement proceedings under Part XI of the Act;
- f) The person has fulfilled tax obligations;
- g) The person has not been convicted of corrupt or fraudulent practices; and is not guilty of any serious violation of fair employment laws and practices;
- h) A person or consortium shall be considered ineligible to bid, where in case of a corporation, private company, partnership or other body, the person or consortium, their spouse, child or sub-contractor has substantial or controlling interest and is found to be in contravention of the provisions of paragraphs (e), (f), and (g);
- i) A person or other body having a substantial or controlling interest shall be eligible to bid where;
 - i) Such person has declared any conflict of interest; and
 - ii) Performance and price competition for that good, work or service is not available or can only be sourced from that person or consortium.
- j) The Fund shall require a person to provide evidence or information to establish that the criteria under clause 3.5.2;
- k) The Fund shall consider as ineligible a person who submit false, inaccurate or incomplete information about his or her qualifications.

4.7.2 Procedure for Pre-Qualification of Suppliers

In regards to prequalification of suppliers, the Fund shall ensure the following procedures are adhered to;

a) Invitation / Advertisement for Pre-qualification of Suppliers

The Fund shall advertise in the dedicated Government tenders' portals or in its own website, all conspicuous places and a notice in at least two daily newspapers of nationwide circulation. The invitation shall include:

- i) The name address and contact details of the Fund;
- ii) The categories advertised for running period of two or three years;
- iii) Statement of key requirement and criteria for pre-qualification;

- iv) Instructions of obtaining pre-qualification documents including any price payable;
- v) Instructions on location and deadline for submission.

b) Closing of the Pre-qualification

The Chairperson of the tender opening committee shall give a brief on closing of the tender to the bidders/representatives present. The brief shall be on the type of tender and time of closing.

c) Opening of Pre-qualification Tenders

The Managing Trustee of the Fund shall appoint an Ad hoc tender opening committee specifically for the procurement in accordance with the requirements as prescribed in (a) above.

The composition of the committee shall have at least three members, Chairman and two members excluding the secretary.

4.8 Tender / Quotation Opening Committee

The Managing Trustee shall appoint a Tender Opening Committee for each procurement in accordance with the requirements of section 78 of the Public Procurement and Asset Disposal Act, 2015 and Regulation 73 of Public Procurement and Asset Disposal Regulations, 2020.

4.8.1 Composition of Opening Committee

The Committee shall have at least three members; and at least one of the members shall not be directly involved in the processing or evaluation of the tenders as indicated in the table below.

Table 2: Composition of Tender Opening Committee

Position	Functional Area
Chairperson	A responsible officer appointed by Managing Trustee
Members (at least three)	Head or Deputy of User Section and any other responsible officer.
Secretary	Head of Supply Chain Management Department or his / her representative.

4.8.2 Functions of Opening Committee

In accordance with section 78 of the Public Procurement and Asset Disposal Act, 2015 and Regulation 73 of Public Procurement and Asset Disposal Regulations, 2020 the Tender Opening Committee members shall carry out the following procedures during tender opening:

- a) Open all tenders received immediately after the deadline for submitting tenders;
- b) Assign an identification number to each tender and record the number of pages received;
- c) As each tender is opened, the following shall be read out loud and recorded in a document to be called the tender opening register:
 - i) The name of the person submitting the tender;
 - ii) The total price, where applicable including any modifications or discounts received before the deadline for submitting tenders except as may be prescribed;
 - iii) If applicable, what was given as tender security.
- d) Each member of the Tender Opening Committee shall:
 - i) Sign each tender on one or more pages as determined by the Committee; and
 - ii) Initial, in each tender, against the quotation of the price and any modifications or discounts, where applicable.
- e) The Tender Opening Committee shall prepare tender opening minutes which shall set out – (a) a record of the procedure followed in opening the tenders; and (b) the particulars of those persons submitting tenders, or their representatives, who attended the opening of the tenders;
- f) To acknowledge that the minutes are true reflection of the proceedings held, each member of the Committee shall – (i) initial each page of the minutes; and (ii) append his or her signature as well as initial to the final page of the minutes indicating their full name and designation;
- g) A person who causes the physical loss of tender documents provided for under this section commits an offence.

4.9 Tender / Quotation Evaluation Committee

The Managing Trustee shall establish an ad hoc Evaluation Committee in accordance with Section 46 of the Public Procurement and Asset Disposal Act and Regulation 74 from within the members of staff, with the relevant expertise.

The Evaluation Committee may invite external technical experts who are not employees of the organization to assist in matters that need specific technical expertise in accordance with Section 46 (7) of the Public Procurement and Asset Disposal Act, 2015.

4.9.1 Composition of Evaluation Committee

Shall consist of between three and five members appointed on a rotational basis comprising heads of user department and two other departments or their representatives and where necessary, procured consultants or professionals in accordance with Section 46(4) (b) of the Public Procurement and Asset Disposal Act, 2015.

Table 3: Composition of Tender Evaluation Committee

Position	Functional Area
Chairperson	A responsible Officer appointed by Managing Trustee
Members (at least three)	Head or Deputy of User Section and any other responsible officer who will guide the process
Secretary	Head of Supply Chain Management Department or his / her representative

4.9.2 Functions of the Evaluation Committee

In accordance with Section 43 of the Public Procurement and Asset Disposal Act and Regulations members of the Evaluation Committee shall:

- Conduct the technical and financial evaluation of the tenders or proposals availed in strict adherence to the compliance and evaluation criteria set out in the tender documents;
- Perform the evaluation or negotiation with due diligence;
- Conduct the evaluation within the periods specified in the Act;

- d) Not enter into direct communication with any of the tenderers participating in a tender or proposal that such Evaluation Committee is considering;
- e) Seek any clarifications on tenders or proposals under consideration through the Head of Supply Chain Management Department;
- f) Prepare a report on the analysis of the tenders availed, and final ratings assigned to each tender and make recommendations and submit the report to the head of the procurement function;
- g) 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;
- h) Keep the individual score sheets as records of a procurement proceeding;
- i) Moderate the analysis of individual evaluators ratings to arrive at an average rating;
- j) Prepare a report on the analysis of the tenders received, and final ratings assigned to each tender and submit the report to the Head of Supply Chain Management Department.

The report prepared shall include:

- a) A summary of the tenders or proposals received and opened;
- b) The results of the preliminary evaluation;
- c) The results of the technical evaluation;
- d) Reasons why any tenders were rejected;
- e) Details of any minor deviations accepted and the way in which such deviations were quantified and taken into account in the evaluation and comparison of the tenders;
- f) The ranking of the tenders based on the evaluation criteria;
- g) The results of any confirmation of qualification conducted;
- h) The scores awarded by each evaluator for each tender or proposal, where applicable;
- i) A summary of the relative strengths and weaknesses of each tender or proposal;
- j) A recommendation to award the contract in accordance with section 86 of the Act; and
- k) Such other recommendation as may be necessary.

4.10 Inspection and Acceptance Committee

The Managing Trustee may establish an ad hoc committee known as the Inspection and Acceptance Committee in accordance with Section 48(1) of the Public Procurement and Asset Disposal Act, 2015.

4.10.1 Composition of Inspection and Acceptance Committee

In accordance with Section 48 (2) of the Public Procurement and Asset Disposal Act, 2015 the Managing Trustee shall appoint an adhoc Inspection and Acceptance Committee Officer on the recommendation of the Supply Chain Management Department.

4.10.2 Functions of Inspection and Acceptance Committee

In accordance with Section 48(2) of the Public Procurement and Asset Disposal Act, 2015 the Inspection and Acceptance Committee shall immediately after the delivery of the goods, works or services;

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

4.11 The Disposal Committee

The Managing Trustee shall establish a Disposal Committee as and when prescribed for the purpose of disposal of unserviceable, obsolete or surplus stores, equipment or assets in accordance with Section 163 of the Public Procurement and Asset Disposal Act, 2015.

4.11.1 Composition of the Disposal Committee

In accordance with regulation 177 of the Public Procurement and Asset Disposal Regulations, 2020, the Disposal Committee shall comprise of:

- a) The chairperson who shall be a head of department;
- b) Head of finance function;
- c) At least three heads of user departments, of whom one shall be the head of the user department disposing off the stores or equipment;
- d) Head of the procurement function as secretary or his or her designate.

Where necessary, the Disposal Committee may co-opt a relevant technical expert.

4.11.2 Functions of the Disposal Committee

In accordance with Regulations 179 of the Public Procurement and Asset Disposal Regulations, 2020 the Disposal Committee shall:

- a) Conduct Board of Survey for items for disposal;
- b) Verify the condition and the location of the items identified for disposal;
- c) Determine the current market value of the items for disposal;
- d) Set up a reserve price based on paragraph (c) above, where a technical advice is not required;
- e) Verify the justification and procedure for disposal;
- f) Seek technical expertise where necessary to ascertain the value and the condition of the items;
- g) Prepare a disposal report and submit it to Managing Trustee, with specific recommendations on the items to be disposed or those not to be disposed and the reasons thereof.

4.12 Tender Opening Procedure

- a) The committee shall open the tender box in the presence of the bidders
- b) The committee shall collect the bids to the opening venue
- c) The committee shall ensure that present members and bidders are registered in the respective register

- d) During the opening of tenders, the following shall be undertaken:
- e) Reading of the names of the bids
- f) Registration of the tenders in the tender register
- g) Allocating them serial numbers
- h) Members of the opening committee shall sign or initialize the bids on the number of pages agreed
- i) The committee shall prepare tender opening minutes and submit them to the Head of Supply Chain.

4.13 Evaluation of the Pre-Qualification Bids

- a) Evaluation shall be carried out by an appointed ad-hoc Evaluation Committee appointed by the Managing Trustee. The quorum of membership shall be at least 3 members excluding the secretary.
- b) The Evaluation committee shall evaluate based on the criteria as set out in the tender document.
- c) The result of the evaluation shall be a pass or fail for each applicant.
- d) Evaluation minutes and reports from the evaluation proceedings shall be signed and submitted to the Head of Supply Chain for as basis of recommendations to the Managing Trustee.

4.14 Professional Opinion

The Head of Supply Chain will make a recommendation through a professional opinion to the Managing Trustee for approval or rejection with reasons for the same.

Professional Opinion Process:

- a) The evaluation report in accordance with Regulation 47 shall be reviewed by the head of the procurement function and forwarded to the Managing Trustee together with the professional opinion referred to in section 84 of the Act.
- b) The head of the supply chain function may seek for clarification from the Evaluation Committee before making a professional opinion.
- c) The professional opinion shall include, but not limited, to the following information:

- i) Background of the procurement and cost benefit analysis to the fund;
 - ii) Whether the procurement is in the procurement plan and budgeted for;
 - iii) A review of the procurement or asset disposal proceedings;
 - iv) Adherence to evaluation criteria stipulated in the bid documents;
 - v) Legality of tender award recommendations;
 - vi) Whether the recommended price(s) for standard goods, services and works are within the indicative market prices;
 - vii) Availability of funds; and
 - viii) A recommendation for change of scope, where the bid document had provided for change of scope, if the successful bid is above the budget available of the procuring entity, taking into account the effect of the scope of change to the entire evaluation of the tender.
- d) Where the accounting officer has approved the recommendation of the Head of Supply Chain Management Department function under sub-regulation (3) (f) above, the Head of Supply Chain Management Department function shall:
 - i) Inform the user department for concurrence;
 - ii) Refer the matter back to the Evaluation Committee for review and recommendation to the Managing Trustee;
 - iii) Inform the successful bidder for concurrence; and
 - iv) Make appropriate recommendation to the Managing Trustee taking into account the views of the user department, the Evaluation Committee and the successful bidder.
- e) (5) Upon receipt of the evaluation report and professional opinion, the Managing Trustee shall take into account the contents of the professional opinion and shall within seven days in writing:
 - i) Approve award to the successful tenderer; or
 - ii) Seek clarification from the head of the procurement function or the evaluation committee prior to approving or rejecting the award; or
 - iii) Reject the recommendation(s);

Where the Managing Trustee has rejected the recommendation(s) in sub-regulation (1) (c) above, he or she shall provide further directions to the head of the procurement function in writing.

Pursuant to section 68(2) (g) of the Act, any further directions, approval and/or rejection by the Managing Trustee shall form part of the procurement records.

4.15 Notification of Successful and Non-Successful Bidders

The Head of Supply Chain shall write notification letters to both successful and unsuccessful bidders stating the reasons for disqualification accordingly. The notification letters shall be sent to the respective bidders at same time using the same mode.

4.16 Uploading of Registered Suppliers

The approved list of prequalified suppliers shall be uploaded in the Fund's website and a file of the list maintained in the supply chain department.

4.17 Tender Processing

The Managing Trustee shall appoint various ad hoc committees (tender opening committee, evaluation committee, negotiation committee, inspection and acceptance committee and project implementation committee) in line with the Act to undertake various functions in tender processing.

4.17.1.1 Tender Processing Procedures

a) Advertisement / Invitation to Bid

This procurement method is applicable when goods, works or services being procured are of equal threshold. The advertisement should be done in the procurement portal, and either on Fund's website, a notice in at least two daily newspapers of nationwide circulation and at all strategic places of the PCF offices.

The invitation shall include;

- i) The name address and contact details of the Fund
- ii) Instructions on location and deadline for submission
- iii) A brief description of goods, works or services being procured
- iv) Instruction to the tenderers with regards to the sealing of the tender documents

- v) Instructions to the tenderers with regards to submission of large tenders
- vi) All submitted large tenders which cannot be dropped in the tender box, shall be submitted to the Head of Supply Chain and registered.
- vii) Closing and Opening of Tenders

The Managing Trustee shall appoint an ad hoc tender opening committee specifically for the procurement in accordance with the requirements.

The composition of the committee shall have at least three members i.e. chairperson and two members excluding the secretary.

The chairperson of the tender opening committee shall give a brief on closing of the tender to the bidders /representatives present. The brief shall be on the type of tender and time of closing.

b) Tender Opening Procedure

- i) The committee shall open the tender box in the presence of the bidders
- ii) The committee shall collect the Bids to the opening venue
- iii) The committee shall ensure that members present and bidders are registered in the respective register.
- iv) During the opening of tenders, the following shall be undertaken:
 - The names of the bids shall be read out
 - Registration of the bids in the tender register
 - Allocating the bids serial numbers
 - Members of the opening committee shall sign or initialize the bids on the number of pages agreed
 - The committee shall prepare tender opening minutes and submit them to the Head of Supply Chain.

c) Evaluation of Bids

The evaluation shall be carried out by an ad-hoc Evaluation Committee appointed by the Managing Trustee. The quorum of membership shall be at least 3 members excluding the secretary.

The committee appointed shall;

- i) Deal with the preliminary, technical and financial aspects of the procurement process as well negotiations
- ii) Complete the procurement process for which it was appointed. No new committee shall be appointed on the same issue unless the one handling the issues has been procedurally disbanded
- iii) conduct due diligence
- iv) Present a report in writing to confirm and verify the qualifications of the tenderer who submitted the lowest evaluated responsive tender to be awarded the contract in accordance with this Act.
- v) At its discretion, obtain confidential references from persons with whom the tenderer has had prior engagement.

Evaluation exercise is regulated and is completed within a period of 30 (thirty) days after the opening of the tenders. The evaluation shall be done using the procedure and the criteria set out in the tender documents.

Evaluation shall be conducted in three steps:

- **Preliminary Evaluation**

Entails determining that the tender meets basic mandatory requirements such as tax compliance, certain specified financial performance, certain specified staff qualifications, and other statutory requirements as specified in the tender document.

- **Technical Evaluation**

This is undertaken to confirm if the bids meet technical specifications given and the technical criteria in the tender document.

- **Financial Evaluation:**

This is undertaken to confirm if the price schedules meet budget allocations, arithmetic errors corrections if any and whether the lowest evaluated price is the most successful bid or the highest combined score for RFP.

Evaluation minutes and reports from the evaluation proceedings duly signed shall be submitted to the Head of Supply Chain to enable him make an informed recommendation to the Managing Trustee.

d) Notification of Contract Award and Acceptance

The Managing Trustee shall within 14 days notify in writing all bidders both successful and unsuccessful citing reasons for being unsuccessful and within the same period, the successful bidder shall respond in writing accepting the offer in line with Section 87 of the Act. The Fund shall ensure that within the tender validity period, the successful tenderer is notified that his tender has been accepted.

In circumstances where the bidder declines the offer, the bid security shall be forfeited and the second evaluated bidder shall then be offered the award.

e) Negotiations (Where Applicable)

Negotiation is mostly applied in direct procurement and Request for proposal by a committee appointed by Managing Trustee.

The Fund shall carry out Negotiation in direct procurement and request for proposal to suitable identified service provider/suppliers.

i) Procedure for Negotiations

Members of a negotiations committee shall;

- Prepare an agenda for each negotiation to ensure that it is a true reflection of the terms of reference/specifications.
- Prepare minutes of the negotiation, and an attendance list that shall be signed by both parties.

ii) Competitive Negotiations

Competitive negotiation is applicable where more than one bidder have been lowest evaluated. This is applicable to other procurement methods.

The Managing Trustee shall carry out a competitive negotiation where;

- There is a tie in the lowest evaluated price by two or more tenderers;
- There is a tie in the highest combined score point;

- Where the lowest evaluated prices is in excess of available budget;
- There is an urgent need that can be met by several known supplier.

iii) Procedure for Competitive Negotiation

The Managing Trustee shall;

- Identify the tenderers affected by tie;
- Identify the tenderers that quoted prices above available budget;
- Identify the known suppliers as prescribed.

In the case of tenderers that quoted above the available budget, the Managing Trustee shall;

- Reveal its available budget to tenderers;
- Limit its invitation to tenderers whose evaluated prices are not more than twenty five percent above the available budget.

The Managing Trustee shall request the identified tenderers to revise their tenders by submitting their best and final offer within a period not exceeding seven days. The revised prices shall not compromise the quality specifications of the original tender. Tenders shall be evaluated by the evaluation committee appointed in the initial process.

f) Preparation and Signing of Contract

The existence of a contract shall be confirmed through a contract document incorporating all agreements between the parties and such contract shall be signed by the Managing Trustee or an officer authorized in writing by the Managing Trustee and the successful tenderer.

The Fund shall ensure that the interest of the Fund are safeguarded at all times. All contracts shall be signed between the Fund and its suppliers, within the prescribed timelines. All relevant documentations and specifications shall be incorporated.

The preparation of a written contract shall be carried out by the Head of Supply Chain in consultation with Head of Legal (HOL). The document shall thereafter be signed by the supplier then forwarded to the MT for signing in presence of HOL/Representative. At least 3 copies shall be signed.

The written contract shall be entered into within the period specified in the notification but not before fourteen days have elapsed following the giving of that notification provided that a contract shall be signed within the tender validity period.

No contract shall be formed between the person submitting the successful tender and the Managing Trustee until the written contract is signed by both parties.

g) Contract Administration

For every complex and specialized procurement contract, the Managing Trustee shall appoint a contract implementation team in line with section 15q of the Act, which shall include members from the procurement function, user, relevant technical department and a consultant where applicable.

The Fund shall ensure that complex contracts are managed with an aim of obtaining goods, works and services as per the contract and achieve value for money.

Upon signing of the contract, the Managing Trustee shall constitute a committee comprising the Supply Chain Management, the user and an expert from within the Fund to manage and administer the contract together with the vendor. The team shall:

- i) Continuously review the performance of the vendor;
- ii) Have documented meetings minutes to review progress as per agreed service levels.
- iii) Review and advise the Fund on any contract variations that require management approvals, further negotiations or termination.

h) Procedure for Contract Administration

- i) Appointment of the contract administration committee
- ii) The review of procurement and contract documentation,
- iii) Process and recommend variations for approval.
- iv) Monitor contract implementation,
- v) Approve and administer contract variations and modifications,
- vi) Recommend cancellation or termination of contracts.
- vii) A contract file shall be opened after the procurement contract is signed and it shall be opened by the contract manager.

- viii) The file shall be used for recording the actual performance of the requirements indicated in the contract.
- ix) The file should contain the following:
 - A signed original procurement contract
 - Any signed modifications to the contract
 - Contract correspondence between the parties
 - Information on the performance
 - Correspondence on the contract
 - Management progress reports
 - Minutes of meetings of project team
 - Payments records and close up documents.
 - A copy of performance security (where required)
 - Any other relevant information.

4.18 Receipt, Inspection and Acceptance of Goods, Works, Services and Consulting Services

The Fund shall only receive goods, works and services which have been inspected and accepted by the inspection and acceptance committee.

The MT shall appoint the Inspection and Acceptance committee which shall compose of a chairman and at least two other members excluding the secretary.

The Fund shall at all time subject all goods, works and services to verification, inspection prior to acceptance.

This will ensure that the inspection and acceptance comprises all necessary verifications and tests to ensure that the goods, works and services delivered are compliant to the bidding document specifications.

The Inspection and acceptance committee shall undertake the following:

- a) Carry out inspection of goods, works or services at any reasonable time or place, including;

- i) During manufacture or construction;
 - ii) Prior to shipment;
 - iii) On delivery or completion; or
 - iv) Prior to final acceptance;
- b) Employ an independent third party to undertake technical inspection where it lacks capacity;
- c) Verification shall involve checking whether;
 - i) The correct quantity has been received;
 - ii) The goods, works or services meet the technical standards defined in the contract;
 - iii) The goods, works or services have been delivered or completed on time, or that any delay has been noted;
 - iv) All required deliverables have been submitted; and
 - v) All required manuals or documentation have been received.
- d) Issue interim completion acceptance certificates or goods received notes, as appropriate and in accordance with the contract.
- e) Issue final completion acceptance certificates.
- f) Submit Inspection report and copy of the Acceptance certificate to Head of Supply Chain.

Dhamana ya Bima Yako

CHAPTER 5: METHOD OF PROCUREMENT

5.1 Introduction

The method of procurement is a process of acquiring of goods, works and service for the service for the fund to achieve these objectives.

The Fund shall source goods, works or services by any of the following procurement methods:

- a) Open tender;
- b) Two-stage tendering;
- c) Design competition;
- d) Restricted tendering;
- e) Direct procurement;
- f) Request for quotations;
- g) Electronic reverse auction;
- h) Low value procurement;
- i) Force account;
- j) Competitive negotiations;
- k) Request for proposals;
- l) Framework agreements; and
- m) Any other procurement method and procedure as prescribed in regulations and described in the tender documents.

In the process of procurement planning, the Fund shall ensure that they separate and group together: goods, works, services and consultancies. As a general rule a procurable items should not be mixed except in special cases where they are inseparable.

5.2 Open Tendering

The Fund shall use open tender method as much as possible for it's the preferred method of procurement for goods, works and services.

Below is the table illustrating the period of time between the advertisement and the deadline.

Table 4: Duration of Advertisement for Open Tendering

Description of Activity	Method of Procurement	Type	Number of Days
Tender Advertisement	Open Tender	International	21 days
		National	14 days

The Fund shall use open tendering method as a default method in compliance with the Act and with a view of maximizing on the economy and efficiency, promoting competition and fairness, enhancing transparency and accountability and thereby increasing public confidence. However, it may not be applicable in some procurement process as prescribed in the threshold matrix.

All requirements for goods, works and services that are within procurement threshold set out in the Regulations shall be procured using open tender.

5.2.1 Procedure for Advertising Open Tendering

- a) Check and confirm the threshold
- b) Use Kenya's dedicated tender's portal (www.portal.tender.or.ke) or any other electronic advertisements as prescribed; and
- c) For the Nation-wide circulation, the Fund shall advertise the notice inviting expressions of interest in at least two daily newspapers of wide circulation, the dedicated Government tender's portal and own website.

5.3 Restricted Tendering

The Fund shall use this procurement method if one or more of the conditions as set out in Section 102 of the Act are met as per the threshold matrix in Appendix 12.

Restricted tendering is an alternative procurement method that limits the request for tenders to a list of pre-qualified suppliers, contractors or service providers due to complexity nature of the goods, limited time and few known suppliers/service providers.

The restricted tendering process shall be carried out only if one or more of the following qualify:

- a) Where the goods or services are of complex nature;
- b) When there are few known suppliers in the market;
- c) When the time and cost required examining and evaluating a large number of tenders would be disproportionate to the value of the goods, works or services to be procured.

An advertisement shall be placed, where applicable, on the Fund website regarding the intention to procure through limited tender.

5.3.1 Procedure for Restricted Tendering

- i. The Fund shall invite bidders who demonstrate ownership of specialized equipment needed in the notice boards as well as the PCF's website with specific mandatory requirements that shall ensure that the contractor selected is capable to carry out the complex assignment.
- ii. Invite suppliers who are prequalified in the class whose threshold covers the estimated value of the projects.
- iii. At least seven persons selected from the list approved of prequalified contractors/suppliers shall be invited.
- iv. The minimum time allowed for bidders to prepare and submit the bids in a restricted tender process shall be seven (7) days.

The Fund may seek, in writing, to use another State organ's, public entity's or regulated professional body's registered list of all registered persons in the category, provided that the list is valid and developed through a competitive process.

5.4 Direct Procurement

The Fund may use direct procurement method as long as the purpose is not to avoid competition.

The Fund shall use Direct Procurement method if one or more of the following conditions are met:

- a) Urgency of goods/services due to natural calamities
- b) Limited availability of the item in the market;

- c) When there is only one supplier who can supply the goods, works or services being procured;
- d) For the purposes of acquiring of goods, works or services provided by a public entity

5.4.1 Procedure for Direct Procurement

The Fund shall adhere to the following procedures with respect to direct procurement as provided in Section 104 of the Act:

- i. Issue a tender document which shall be the basis of tender preparation by tenderer and subsequent negotiations.
- ii. Appoint an ad hoc evaluation committee pursuant to section 46 to negotiate with a person for the supply of goods, works or non-consultancy services being provided;
- iii. Ensure appropriate approvals under the Act have been granted;
- iv. Ensure the resulting contract is in writing and signed by both parties.

5.5 Request for Quotations

In order for the Fund to promote competition and fairness in the circulation of quotations for procurement purposes, it shall use valid approved list of registered or pre-qualified suppliers. Request for quotations will be used for goods, works and services which are readily available in the market and whose cost is below or equal to the set thresholds.

The Fund may seek, in writing, to use another State organ's, public entity's or regulated professional body's registered list of all registered persons in the category, provided that the list is valid and developed through a competitive process.

The Fund may use a request for quotations from the register of suppliers if the following conditions are met:

- a) The estimated value of the goods, works or non-consultancy services being procured is less than or equal to the prescribed maximum value for using requests for quotations as prescribed in Regulations;
- b) The procurement is for goods, works or non-consultancy services that are readily available in the market; and

- c) The procurement is for goods, works or services for which there is an established market.

5.5.1 Content of a Request for Quotation

In the procurement of goods and services the Fund shall use a request for quotations which shall contain the following information; Section 106(1) of the Act:

- a) Quotation number and date.
- b) Name and address of the Fund.
- c) Name and address of supplier invited to quote.
- d) Date and time of submission of the quotation.
- e) Particulars of the item including item no, specifications, unit of issue, quantity required.
- f) Part to be completed by the supplier including unit price, delivery time, discount, brand, country of origin and remarks.
- g) Space for suppliers' signature.

The Fund shall prepare a request for quotations that sets out the following;

- a) The name and address of the Fund;
- b) Ensure specific requirements prepared and instructions relating to the goods, works or services being procured are clear;
- c) An explanation of where and when quotations shall be submitted; and
- d) Anything else required under this Act or the Regulations to be set out in the request for quotations.

A Managing Trustee shall deal with the request for quotations in accordance with the following:

- a) Give the request to such persons as are registered by the procuring entity;
- b) Provide request for quotations to as many persons as necessary to ensure effective competition and not less than three persons.
- c) To allow enough time to the bidders for the purpose of preparing documents and submit.
- d) Ensure at least three persons shall submit their quotations prior to evaluation.

5.6 Determining the Successful Bidder

The successful quotation shall be the quotation with the lowest evaluated bidder that meets the requirements set out in the request for quotations.

Where the lowest price is above the prevailing market rates, the request for quotations shall be cancelled or terminated in accordance with the cancellation and termination.

5.7 Reasons for Termination / Cancellation

The Fund may at any time, prior to notification of tender award, terminate or cancel procurement or asset disposal proceedings if any of following applies:

- a) The subject procurement have been overtaken by operation of law or there is substantial technological change;
- b) Inadequate budgetary provision;
- c) No tender was received;
- d) There is evidence that prices of the bids are above market prices;
- e) Material governance issues have been detected;
- f) All evaluated tenders are non-responsive;
- g) Force majeure;
- h) Civil commotion, hostilities or an act of war;
- i) Upon receiving subsequent evidence of engagement in fraudulent or corrupt practices by the tenderer within fourteen days after terminating any procurement or asset disposal proceedings the Fund shall give the Authority a written report with reasons for the termination and notify all tenderers who submitted their tenders.

The following shall apply with respect to the contract resulting from a procurement by a request for quotations:

- a) The Managing Trustee shall place a purchase order with the person submitting the successful quotation;
- b) The person submitting the successful quotation shall confirm the purchase order in writing; and
- c) A Managing Trustee shall consider recommendations for award arising from a contract under procurement by a request for quotations for approval or rejection.

5.8 Requests for Proposal

This method is necessary to provide guidelines for selection and approval of consultants and suppliers for supply of services or combination of goods and services and/or when the services to be procured are advisory or otherwise of a predominately intellectual nature.

Request for Proposal (RFP) shall be used in procurement of services through a predetermined and disciplined procedure. All requirements for goods and services that are within procurement threshold set out in the Act shall be procured using RFP as long as the following conditions are satisfied:

- a) The procurement is of service or combination of goods and services
- b) The services to be procured are of advisory or otherwise of a predominately intellectual nature.

5.8.1.1 Procedure for Requests for Proposal

The Fund may use Request for Proposal by inviting Expression of Interest (EOI) through advertisement and the list will be generated from tenderers.

The Managing Trustee shall invite proposals from only the persons who have been shortlisted as qualified to submit their tenders within a period 14 days.

The other tender proceedings will be carried out as per the tender processing procedures.

a) Low Value Method

The Fund may use a Low Value Procurement procedure where the estimated value of the goods, works or services being procured is less than or equal to the set procurement thresholds in schedule one of the regulations 2020. The procedure is not used to avoid competition. The procurement thresholds for low value procurement is Class B Entities Kshs. 50,000 per item in every financial year. This method is used where:

- i) There is no benefit accruing to it in terms of time or cost implications by using any other procurement method;
- ii) The procurement is made through direct shopping from a reputable outlet or provider; or
- iii) An original receipt or invoice is obtained and account for the money and item purchased.

The Fund shall establish their internal rules and regulations governing low value procurement for effective control of use of procurement.

b) Other Procurement Methods

i) Two Stage Tendering

The Fund may engage in two stage tendering when there is complexity and inadequate knowledge on its part or advancements in technology, and it is not feasible for the Fund to formulate detailed specifications for the goods or works or non-consultancy services. This is in order to obtain the most satisfactory solution to its procurement needs.

ii) Design Competition

The Fund may obtain competitive tenders for services which are creative in nature and which require that part of the services be carried as part of the tender to facilitate evaluation of the tenders. Such services may include architecture, landscaping, engineering, urban design projects, urban and regional planning, fine arts, interior design, marketing, advertising and graphic designs.

iii) Framework Agreement

Framework agreements can be undertaken through an open tender method where the Fund may enter into a contract with the suppliers/contractors to supply good, works or non-consultancy service on “as and when required basis”. Where the required quantity cannot be determined at the time of entering into the agreement; and it shall be for a maximum of three (3) years.

iv) Specially Permitted Procedure

This is a procurement method used for a particular procurement by that procuring entity, which is not provided for in the Act and the Regulations but has been specially permitted by the PPRA, PPDA Manual 7.8.

v) Force Account

The Fund may use this method of procurement by making recourse to the state or public officers and using public assets, equipment and labour which are competitive and where quantities of work involved are small and scattered or in remote locations for which qualified construction firms are unlikely to tender at reasonable prices and the quantities of works cannot be defined in advance.



CHAPTER 6: STORES AND INVENTORY MANAGEMENT

6.1 Introduction

A store is a planned space for the storage and handling of material, and equipment acting as focal points for product and information flow between sources of supplies and points of utilization. All procured items assigned for use by the Fund shall be requisitioned from and issued by the head of the procurement function of a procuring entity.

The Managing Trustee shall ensure that all inventories, stores and assets purchased are received, but shall not be used until taken on charge and as a basis for ensuring that all procured items are properly accounted for and put in proper use as intended by the Fund.

The Fund shall promote efficiency, economy and effectiveness by ensuring that stocks are received, stored, managed and issued from a designated stores facility. The stores shall be kept secure, clean, with proper layout and arrangement, including well labelling for easy identification

6.2 Stores and Inventory Management Operations

The Head of Stores shall:

- a) Ensure that the store-rooms are kept clean, properly ventilated and in good condition and that the stores are well arranged and easy to access;
- b) Inspect the store regularly and report to the Head of the supply chain department any case of loss, leakage, damage or deterioration;
- c) Examine frequently the locks of doors and fastenings of windows. The store-rooms shall not remain unattended when open for any purpose and will be solely responsible for the keys of all store-rooms and buildings and will not delegate the duty of locking up the rooms to any unauthorized person;
- d) Ensure the stores (inventories) are properly stored, frequently examined and adequately protected. In particular, clothing and other stores subjected to deterioration by dampness by insects and should be frequently examined;
- e) Apply good storage and preservation practices for all store items including fumigation;
- f) Damaged and expired stores for disposal, should be kept separately from unused stores;

- g) All stores that are highly inflammable or explosive in nature should be kept in separate storeroom;
- h) Ensure issues are made from old consignments of stores before issuing new consignments i.e. First In First Out (FIFO) method. Special care should be taken to ensure that materials are not allowed to expire (become obsolete) through lapse of time. Such materials should be checked frequently;
- i) Stores ledger and control card are properly kept for each item of stores and placed on or near the respective item; and
- j) Notices prohibiting smoking are prominently exhibited within the store premises;
- k) Report half-yearly in writing to the Head of the supply chain department of any obsolete or unserviceable stores.

6.3 Procedure for Receiving, Inspection and Acceptance of Goods, Works and Services

6.3.1 Receiving of Goods

- a) The suppliers shall directly deliver all items purchased to the respective stores.
- b) Users shall not collect any item(s) from the suppliers;
- c) Section stores staff shall check the supplier's delivery note to ensure that it matches with the physical goods, works or services;
- d) Section stores staff shall match the description of goods with the LPO and specifications and other relevant documents which include:
 - i) LPO/LSO
 - ii) Airway Bills,
 - iii) Bill of lading and
 - iv) Packing lists
 - v) Invoices,
 - vi) Delivery Notes,
 - vii) Credit Notes
- e) Acknowledge the receipt of goods, works and services within set out lead-times by signing and stamping the delivery note(s);

- f) Capture the transactions in the electronic procurement system (or manual records where applicable) to indicate:
 - i) Delivery status of the requisition
 - ii) Invoice particulars
 - iii) LPO particulars
 - iv) Particulars of Stores ledger(S3) and
 - v) Electronic notification to the user.
- g) Open a file for the above documents awaiting deliveries.
- h) Issuing of acceptance certificates.

6.3.1.1 Inspection and Acceptance of Goods

The Managing Trustee shall appoint an Inspection and Acceptance committee whose responsibility shall be;

- a) Inspect and where necessary, test the goods received;
- b) Inspect and review the goods, works or services in order to ensure compliance with the terms and specifications of the contract;
- c) Accept or reject, on behalf of the Fund, the delivered goods, works or services by issuing a certificate or giving a reason for rejection;
- d) Ensure that the correct quality and quantity of goods are received in line with the LPO quantity;
- e) Ensure that the goods, works or services have been delivered or completed on time, or that any delay has been noted;
- f) Ensure goods are delivered together with relevant documentation /manuals;
- g) Issue interim or completion certificates or goods received notes, as appropriate and in accordance with the contract;
- h) Maintain a register for all the documents.

6.4 Management of Inventory, Stores and Assets.

The Managing Trustee shall ensure that all inventories, stores and assets purchased are received, but shall not be used until taken on charge and as a basis for ensuring that all procured items are properly accounted for and put in proper use as intended by the Fund.

6.4.1 Stock Taking Cycles

Stock taking will be taken under the following conditions:

- a) Annual and Quarterly stock taking;
- b) In the event of loss, theft or verification; to be taken on request by head of procurement;
- c) If an audit is called for; this will be to reconcile figures out of a request from the Managing Trustee;
- d) In the event of natural calamities such as floods or damages of storage facilities.

6.4.2 Stock Taking Procedures

- a) The Head of Procurement shall call for the stock taking exercise;
- b) Guidelines and templates will be issued for standardization;
- c) All the stock keeping units will be counted;
- d) Verification shall be done for each of the stock keeping unit;
- e) A reconciliation between the verified figures and system figures shall be done;
- f) Any variances shall be reported and justified by the head of stores ;
- g) Variances shall be addressed to the Managing Trustee and upon approval for adjustments, passed to the head of finance for action.

6.4.3 Issuance of Stocks from the Stores / Store

The Fund shall ensure that all stores received in the stores are properly stored and issued by an authorized person as need arises.

6.4.4 Procedures

- a) The user shall fill the standard requisition form that should be approved by the relevant approvers

- b) Specimen signatures of all persons authorized to sign requisition shall be supplied to the Storekeeper
- c) If the signature is not of an authorized official/ delegated, the requisition shall be rejected
- d) The Storekeeper and the recipient of goods must agree on the quantity as per the requisition
- e) All issued materials/stores must be issued using S12 or S11 which must be approved by the Stores Manager/ Stores Officer
- f) The issuing officer and the recipient must sign the S12 and S11 used to issue
- g) Prior to release of the goods at the store the security officer shall confirm the goods issued versus the issuing documents and generate a gate pass
- h) Once the items in stores have been issued, the stores store card (S3) must be updated by the Storekeeper.



CHAPTER 7: DISPOSAL OF ASSETS

7.1 Introduction

Asset disposal is an integral part of the terminal end of the supply chain process. It is a critical part in the disposal of unserviceable, obsolete, obsolescent, or surplus stores, equipment and other assets of the Fund, Section 163 of the Act.

Disposal may be considered as the third life of any items acquired by the Fund;

- a) First, an item is procured and accepted (the procurement cycle);
- b) Secondly, it is utilized by the Fund in the discharge of its duties (the usage life cycle, often referred to as life cycle);
- c) Third and finally, it has then to be disposed of (the disposal cycle).

The Managing Trustee shall ensure that, stores, inventory and assets that are procured by a Fund shall not be allowed to deteriorate from any preventable cause and overstocking of any particular item shall be avoided.

The Fund shall ensure that all unserviceable, obsolete or surplus inventory, assets and stores shall be disposed of at suitable intervals to constitute a valuable source of revenue.

7.2 Necessity for Disposal

- a) Disposal is necessary when any equipment is obsolete, due to the costs associated with maintaining it
- b) To avoid pilferage in areas we have static assets and equipment
- c) To eliminate surplus, obsolescence or scrap
- d) To free tied up space holding obsolete materials
- e) Better management of public funds.

7.3 Appointment of Disposal Committee

All disposal of asset shall be done by the Disposal Committee appointed by the MT in line with the Act. The composition of the committee shall be of at least five members who consist of Officer in-charge of finance department, two heads of user departments and Head of Supply Chain as the secretary.

7.4 Responsibilities of the Disposal Committee

The Managing Trustee shall establish a disposal committee for the purpose of disposing of unserviceable, obsolete, obsolescent, or surplus stores, equipment or assets.

The following are their responsibilities:

- a) Shall be responsible for verification and processing of all disposal recommendations in liaison with the head of procurement function as prescribed
- b) Shall meet within 14 days after appointment to conduct a survey and review the items, while considering the technical report where necessary
- c) Shall determine reserve prices
- d) Shall recommend the best method of disposal to the Managing Trustee.

7.5 Annual Disposal Planning of Stores and Equipment

Annual disposal planning should be integrated with applicable budget processes and based on indicative or approved budgets, as appropriate, for any disposal linked to replacement.

The Fund shall prepare a disposal plan for each fiscal year. The Disposal Planning shall be done at the same time as the Procurement Planning.

The Fund shall undertake annual stocktaking of stores, valuation of assets and equipment; maintain an up to date inventory register.

7.5.1 Disposal Plan

- a) The user shall be responsible for identifying any items which are due for disposal and plan consolidating them centrally
- b) Every user department is tasked with the responsibility of identifying and locating respective inventories, including the ones earmarked for disposal. This should be done yearly
- c) The lists of all items identified for disposal shall be submitted to the head of supply chain department. These submissions shall form the basis of the annual disposal plan

- d) Documentation, including a disposal form is necessary as a record keeping tool.

The disposal form shall contain the following information: -

- i) Item number
- ii) Description of item
- iii) Unit of issue
- iv) Quantity
- v) Date of purchase
- vi) supply chain department price
- vii) Total purchase price
- viii) General condition
- ix) Disposal recommendation of the disposal committee
- x) Estimated current value
- xi) Decision of the Managing Trustee

Standard disposal form issued by the PPRA shall be used by the Fund.

7.5.2 Contents of Annual Disposal Plan

The annual disposal plan shall be prepared by the disposal committee in consultation with the head of the supply chain department and the heads of user departments. Regulation 92 (3) provides that the disposal committee shall first meet within 14 days of its appointment and subsequently at least once in every quarter.

The Fund shall dispose-off their stores and equipment at least once every year. The following will be the detailed breakdown of the stores, assets and equipment to be disposed of;

- a) Schedule of the disposal;
- b) Indication of the justification for disposal;
- c) Estimate of the value of each store, asset or equipment;
- d) Reference to the asset register or records of the stores;
- e) An indication of the method of disposal envisaged for each disposal requirement, including any need for pre-qualification, and the anticipated time for the complete disposal cycle, taking into account the applicable approval requirements;

- f) An indication of whether the disposal of the stores, assets or equipment will be managed by the Procuring Entity or any special agency designated or hired;
- g) An indication of the resources available for managing the disposal workload.

7.5.3 Procedures for Disposal

The following shall be the disposal procedure:

- a) The user shall identify the stores to be disposed
- b) The Head of Stores shall bring to the attention of the disposal committee through Head of Procurement a compiled list of identified stores to be disposed of
- c) The disposal committee shall verify all stores to be disposed of
- d) Where necessary seek technical expertise in order to come up with a technical report to guide necessary recommendations
- e) The committee shall develop a report recommending both the disposal method and the reserve prices
- f) The Managing Trustee shall have the final authority of accepting or rejecting the recommendations of the disposal committee
- g) After receiving the recommendations of the disposal committee, the Managing Trustee may approve or reject the recommendation of the committee
- h) If the Managing Trustee approves the recommendations of the disposal committee, the assets that became unserviceable, obsolete or surplus shall be disposed-off in accordance with those recommendations
- i) If the Managing Trustee rejects the recommendations of the disposal committee, he or she shall give further direction on the matter and may refer the matter back to the committee for further consideration
- j) The Managing Trustee shall disclose the reserve price to the prospective tenderers based on the technical report and prices
- k) That where there is no responsive bidder under, the Managing Trustee shall have powers based on the recommendations of disposal committee to revise the reserve price to ensure expeditious disposal of assets and set it forth in the disposal documents so as to be known by any prospective buyer of the boarded items

The disposal committee shall advise the Managing Trustee on suitable methods of disposal which will include any of the following:

- a) Transfer to another public entity or part of a public entity, with or without financial adjustment;
- b) Sale by public tender;
- c) Sale by public auction;
- d) Trade-in;
- e) Waste disposal management; or
- f) As may be prescribed.

The Managing Trustee shall not dispose-off assets to an employee of the Fund or a member of a board or committee of the public entity except as expressly allowed under the Act and the regulations.

It is an offence for the MT to dispose-off assets to an employee of the Fund or a member of a board or committee of the public entity.

7.5.4 Justification and Delineation of the Disposal Requirement

The Disposal Committee shall take appropriate measures to effectively ensure that each disposal requirement is justified and does not present a risk for the on-going delivery of the public service or a loss of public monies.

The Disposal Committee should ensure that each disposal requirement is well delineated so as to avoid any possible confusion between disposal procedures and procurement procedures in the case where the two processes may be integrated such as in the case of trade-in.

CHAPTER 8: RISK MANAGEMENT

8.1 Introduction

Risk is exposure to loss as a consequence of uncertainty. The Fund faces variety of risks in every phase and stage of the procurement process. Understanding the main categories of risk faced in the procurement process assists in risk assessment and planning practical management and operational measures that should be taken to mitigate those risks.

The Fund shall embed risk management in the procurement and supply chain process and maintain a risk register that will contain the all risks identified in each procurement and supply chain process. The register shall be monitored and reviewed regularly so that it is up to date.

8.2 Risk Management in the Procurement Process

The table below explains the risks identified at every procurement step.

8.2.1 Procurement Planning

Risk	Possible Consequences	Mitigation
Failure to come up with an appropriate procurement plan.	<ul style="list-style-type: none"> Failure to achieve key Fund objectives. Delayed procurements. Affects other items in the Procurement plan/Budget. 	<ul style="list-style-type: none"> Analyze Fund's procurement portfolio, function & capability and undertake strategic procurement planning.

8.2.2 Development of Specifications

Risk	Possible Consequences	Mitigation
Biased or restrictive specifications.	<ul style="list-style-type: none"> Claims of unethical or unfair dealings. Inadequate supplier response. 	<ul style="list-style-type: none"> Use functional performance specifications. Apply relevant international standards where available.
Inadequate specification.	<ul style="list-style-type: none"> Many insignificant/irrelevant offers received. Insufficient responses. Offer of goods/services that do not meet needs. Difficulty in evaluating competing offers. 	<ul style="list-style-type: none"> Follow advice in the Fund's Procurement Manual. Be familiar with the requirements of the specification. Get training in writing specifications. Allow the user to preview requirements.
Requisition splitting.	<ul style="list-style-type: none"> Claims of unethical or unfair behavior. Inability to achieve economies of scale. Higher total cost of acquisition. 	<ul style="list-style-type: none"> Training requisitioners in procurement. Separation of functions to ensure possible breaches are identified and prevented.

8.2.3 Preparation of Tender Documents

Risk	Possible Consequences	Mitigation
Use of inappropriate evaluation criteria.	<ul style="list-style-type: none"> ▪ Inadequate or inappropriate result. ▪ Not achieving best value. 	<ul style="list-style-type: none"> ▪ Consider implications of the evaluation criteria. ▪ Seek offers again and sustain extra management effort.
Terms and conditions unacceptable to suppliers.	<ul style="list-style-type: none"> ▪ Loading of costs in offers. ▪ Many qualifications to tenders. ▪ Too few bids. 	<ul style="list-style-type: none"> ▪ Check with the market. ▪ Develop commercially acceptable terms. ▪ Use standard conditions of contract. ▪ Check that responsibility for risks is not allocated to suppliers for factors outside their control.
Uncertainty among suppliers because of new and unusual conditions of contract.	<ul style="list-style-type: none"> ▪ Loading of costs in offers. ▪ Disruption of Fund activities. ▪ Adverse impact on the Fund's professional recognition. 	<ul style="list-style-type: none"> ▪ Use standard conditions. ▪ Seek the legal advice/ approval to conditions of contract. ▪ Allocate risks appropriately.
Provision of inadequate information.	<ul style="list-style-type: none"> ▪ Loading of costs in offers. ▪ Significant variation in offers. ▪ Difficulty in clarifying and closing offers because of extensive requests from suppliers for clarification 	<ul style="list-style-type: none"> ▪ Ensure that staff is suitably trained. ▪ Review documents before issue. ▪ Have an understanding of the market.
Actual or perceived favoritism in providing information.	<ul style="list-style-type: none"> ▪ Supplier complaints. ▪ Political intervention. ▪ Withdrawal of offers. 	<ul style="list-style-type: none"> ▪ Implement standardized procedures for responding to inquiries. ▪ Advise all suppliers on all responses to inquiries received.
Insufficient lead-time.	<ul style="list-style-type: none"> ▪ Inadequate supplier response. ▪ Higher prices. 	<ul style="list-style-type: none"> ▪ Involvement of procurement officers in project planning phase.

8.2.4 Advertising/ Sourcing

Risk	Possible Consequences	Mitigations
Wrong approach to market.	<ul style="list-style-type: none"> Inadequate or inappropriate supplier response. Higher prices. Selection of inappropriate procurement method. 	<ul style="list-style-type: none"> Analyze supply markets.
Misrepresentation of facts by potential suppliers.	<ul style="list-style-type: none"> Claims of unethical or unfair dealing. Breach of contract. 	<ul style="list-style-type: none"> Independently verify supplier qualifications.
Outdated information on potential suppliers.	<ul style="list-style-type: none"> Inadequate supplier response. 	<ul style="list-style-type: none"> Maintain supplier rosters.
Informal commitments to suppliers by requisitioners	<ul style="list-style-type: none"> Claims of unethical or unfair dealing. 	<ul style="list-style-type: none"> Train requisitioners. Separation of functions.

8.2.5 Receipt and Opening of Bids

Risk	Possible Consequences	Mitigation
Actual or perceived breach of confidentiality.	<ul style="list-style-type: none"> Supplier complaints. Political intervention. Mistrust by suppliers. 	<ul style="list-style-type: none"> Establish formal security procedures. Perform regular security audits and reviews. Advise suppliers of security measures. Train the staff.

8.2.6 Evaluation of Bids

Risk	Possible Consequences	Mitigation
Failure to observe effective evaluation procedures.	<ul style="list-style-type: none"> ▪ Inconsistency in evaluation of offers. ▪ Potential for ethical dilemmas. ▪ Subjectivity in outcome of evaluations. 	<ul style="list-style-type: none"> ▪ Perform regular audits of procedures. ▪ Ensure that staff are suitably trained and experienced.
Failure of offers to meet specifications.	<ul style="list-style-type: none"> ▪ Need to re-tender. 	<ul style="list-style-type: none"> ▪ Ensure that the specification is clear and understandable. ▪ Know the marketplace.
Failure of evaluation to identify a suitable supplier.	<ul style="list-style-type: none"> ▪ Claims of unethical or unfair behavior. 	<ul style="list-style-type: none"> ▪ Ensure that selection criteria are appropriate, well defined, and measurable before tenders are called.
Selection of inappropriate supplier.	<ul style="list-style-type: none"> ▪ Failure of supplier to fulfil contract. 	<ul style="list-style-type: none"> ▪ Perform financial and technical checks on suppliers before awarding the contract. ▪ Reject offers from unacceptable suppliers. ▪ Improve evaluation procedures.
Selection of inappropriate goods/services.	<ul style="list-style-type: none"> ▪ Failure of the goods/services to meet the need. 	<ul style="list-style-type: none"> ▪ Ensure that users are involved with the evaluation. ▪ Improve technical evaluation procedures responsible for handling in-confidence documents.

Risk	Possible Consequences	Mitigation
Insufficient number of responses.	<ul style="list-style-type: none"> ▪ Need to start procurement again. ▪ Delays to procurement schedule. ▪ Poor value for money due to limited competition. 	<ul style="list-style-type: none"> ▪ Use a proven and recognized way to notify the suppliers of the requirement. ▪ Allow for sufficient time for suppliers to prepare offers. ▪ Consider publishing two to three-year forward estimates of major purchase budgets.
No response from known high-quality suppliers.	<ul style="list-style-type: none"> ▪ Failure of offers to meet needs. ▪ Greater uncertainty about suppliers' capabilities. 	<ul style="list-style-type: none"> ▪ Seek early industry participation. Know your market. ▪ Request tenders from selected suppliers.

8.2.7 Evaluation Report Review and Award

Risk	Possible Consequences	Mitigation
Contract approval not obtained.	<ul style="list-style-type: none"> ▪ Delays in contract award. 	<ul style="list-style-type: none"> ▪ Ensure adherence to rules and procedures throughout the process. ▪ Ensure adequate documentation of process.

8.2.8 Contract Signing and Issuance

Risk	Possible Consequences	Mitigation
Masking by apparent agreement of different expectations of buyer and supplier.	<ul style="list-style-type: none"> ▪ Contract disputes. ▪ Delivery delays. ▪ Possible cost variation. 	<ul style="list-style-type: none"> ▪ Define terms carefully. Record each party's obligations. ▪ Clarify all ambiguities before signing the contract. ▪ Keep full and accurate documentation.

Risk	Possible Consequences	Mitigation
Deadlock on details of agreement.	<ul style="list-style-type: none"> ▪ Delays in delivery. ▪ Need to restart the procurement. ▪ Increase in costs because of legal action. 	<ul style="list-style-type: none"> ▪ Exploit better ways of sharing risks. ▪ Distinguish between essential and non-essential goals and requirements for negotiations.
Undue concession to suppliers	<ul style="list-style-type: none"> ▪ Reduction in value for money. ▪ Claims of unethical and unfair practices. ▪ Purchase of less suitable product. ▪ Inefficiency and misuse of resources. 	<ul style="list-style-type: none"> ▪ Negotiate on commercial terms. ▪ Ensure that negotiators are adequately trained.
Failure to secure mandatory conditions.	<ul style="list-style-type: none"> ▪ Inability to finalize contract. ▪ Delays in delivery. ▪ Possible variations in cost. ▪ Inefficiency and misuse of resources. 	<ul style="list-style-type: none"> ▪ Distinguish between essential requirements and others before negotiating. ▪ Consider variations in the contract. ▪ Refuse the offer.
Grossly unfair or onerous requirements on the supplier in the contract conditions.	<ul style="list-style-type: none"> ▪ Contract disputes. ▪ Invalidity in the contract. ▪ Legal action. ▪ Poor working relationship with the supplier. 	<ul style="list-style-type: none"> ▪ Negotiate on commercial terms. ▪ Consider fairness and reasonableness of terms. ▪ Ensure that negotiators are adequately trained.
Failure to reflect the terms offered and agreed in the contract.	<ul style="list-style-type: none"> ▪ Contract disputes. 	<ul style="list-style-type: none"> ▪ Make a final check of the draft contract with the supplier. ▪ Keep records of all negotiations and agreements.

Risk	Possible Consequences	Mitigation
Inadvertently creating a contract without appropriate prior approval.	<ul style="list-style-type: none"> Increased expense to negotiate out of the contract and paying damages. Committing other associated work before main contract exists or falls through. 	<ul style="list-style-type: none"> Ensure that staff is appropriately trained. Establish procedure to ensure that appropriate approval is obtained first. Include in the process a checklist of things to be done before contract preparation.

8.2.9 Contract Administration/Management

Risk	Possible Consequences	Mitigation
Variations in price and foreign exchange.	<ul style="list-style-type: none"> Cost overruns. 	<ul style="list-style-type: none"> Agree on prices and the basis of prices. Determine the basis and formula for calculating variations in the solicitation document.
Unwillingness of the supplier to accept the contract.	<ul style="list-style-type: none"> Delays in delivery. Need to restart the procurement. 	<ul style="list-style-type: none"> Seek legal redress if non-acceptance causes loss. Negotiate the concerns of the supplier but ensure that the integrity of the contract remains.

Failure by either party to fulfill the conditions of the contract.	<ul style="list-style-type: none"> ▪ Contract disputes. Failure or partial failure to satisfy the needs. ▪ Delays. ▪ Inability of anyone to work on the project or procurement. ▪ Legal action. 	<ul style="list-style-type: none"> ▪ Review Past Performance Record. ▪ Ensure proper contract management. ▪ Hold regular inspections and get progress reports. ▪ Ensure that all staff working on the project know the contract conditions and the buyer's responsibilities. ▪ Establish appropriate record-keeping systems. ▪ Maintain accurate records and documentation.
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8.2.10 Inventory and Logistics

Risk	Possible Consequences	Mitigation
Leaving the choice of the mode of delivery entirely to the supplier.	<ul style="list-style-type: none"> ▪ Many different suppliers handling the ▪ Fund 's transport of goods. ▪ Delayed deliveries. 	<ul style="list-style-type: none"> ▪ Choosing the right mode of delivery. ▪ Long term agreements with prequalified supplier.
Shipping of certain goods without having the recipient government's permit of importing these goods.	<ul style="list-style-type: none"> ▪ Goods arrive at the country of destination but cannot enter. ▪ Recipient may be required to pay the cost of storage in the port and applicable liner charges until the permit / authorization is issued. ▪ Cargo may deteriorate or go missing during this waiting period. 	<ul style="list-style-type: none"> ▪ Knowledge of which countries require which licenses and for which goods. ▪ Request such licenses already in advance, i.e. as early as possible during the procurement process.

APPENDICES

Appendix 1: Amendment Sheet

[illegible]

Appendix 2: Award Letter Template

LETTER OF NOTIFICATION OF AWARD

Policyholders Compensation Fund

P.O Box 45371-00100

Nairobi, Kenya

To: _____

RE: Tender No. _____

Tender Name _____

This is to notify that the contract/s stated below under the above mentioned tender have been awarded to you.

1. Please acknowledge receipt of this letter of notification signifying your acceptance.
2. The contract/contracts shall be signed by the parties within 30 days of the date of this letter but not earlier than 14 days from the date of the letter.
3. You may contact the officer(s) whose particulars appear below on the subject matter of this letter of notification of award.

(FULL PARTICULARS)

SIGNED FOR MANAGING TRUSTEE

Appendix 3: Procurement Plan Template

PROCUREMENT PLAN TEMPLATE																	
										Reservations for Target Group %				Timing of Activities			
#	Category	Item Code	Item Description	Estimated Unit Cost	Unit of Issue	Qty	Estimated Total Cost	Method of procurement	Charge Account	Youth	Women	PWD	Citizen Contractors	QTR 1	QTR 2	QTR 3	QTR 4
1																	
2																	
	TOTAL AMOUNT																
	GRAND TOTAL																

PREPARED BY:	SIGN:	DATE:
CHECKED BY:	SIGN:	DATE:
APPROVED BY:	SIGN:	DATE:

Appendix 4: Procurement Statutory Reports

S/No.	Name of the report	Timeline	Submitted to:	Applicable PPADA, 2015 Sections
1.	Annual Procurement Plan	Commencement of each financial year	National Treasury	44 (2) (C)
2.	Preference and reservations on budgetary allocations to youth, Women and Persons with Disability	60 Days after commencement of the financial year	PPRA	158 (2) and 44 (2)
3.	Termination of Tenders	Within 14 Days after Termination	PPRA	63 (2)
4.	Direct -Procurement above Ksh. 500,000	14 Days after award notification	PPRA	
5.	Contract Progress reports	Monthly basis	Managing Trustee	152
6.	Reports on the items procured through framework Agreement	Quarterly Basis	Managing Trustee	114 (6)
7.	30% of Procurements allocated to Women, Youth and Persons with Disability	After every 6 months	PPRA	157 (12)
8.	Contract Variation	Quarterly basis	PPRA	139 (5)
9.	Contract Awards		PPRA	138 (2)
10.	Annual Inventory and Stocktaking Report/ Inspection of Stores	Quarterly & Annually	Managing Trustee	162

Appendix 5: Store Requisition



POLICYHOLDERS COMPENSATION FUND

Dhamana Ya Bima Yako

KWFT Centre, Masaba-Kiambere Road Junction, 6th Floor
P.O. Box 24203-00100, Nairobi- Kenya | Telephone: +254 20 499 623 6/7/8
Email: info@pcf.go.ke | Website: www.pcf.go.ke

STORE REQUISITION

User Department _____

Serial No.

100

To _____

Date: _____

Please issue the following

[illegible]

DOCUMENT FOR INTERNAL USE ONLY


Requesting Officer's Name: _____ Signature: _____ Date: _____

Supported by Head of Department _____ Signature: _____ Date: _____

Approved by Head of Procurement Unit _____ Signature: _____ Date: _____



Appendix 7: Request for Quotation Form- this template is no longer in use



POLICYHOLDERS COMPENSATION FUND
Dhamana Ya Bima Yako

REQUEST FOR QUOTATION FORM

TO: Sellers Name and Address: Quotation No..... Date:/...../.....

You are invited to submit quotation on the items listed below:

- THIS IS NOT AN ORDER. Read the conditions and instructions on reverse before quoting.
- This quotation should be submitted in a plain sealed envelope marked "Quotation No....." for the supply of
And be addressed to reach the buyer not later than 10.00am on.....
- Your quotation should indicate the final unit price which includes all costs, delivery, discount, and Vat.

S/ No.	ITEM DESCRIPTION	UNIT OF ISSUE	QTY REQUIRED	UNIT PRICE (KSHS)	DAYS OF DELIVERY	COUNTY OF ORIGIN	REMARKS
1							
2							
3							
4							
5							
7							
8							

FOR OFFICIAL USE ONLY


Seller's signature..... Opened by (1) Signature..... Date.....

Date..... (2) Signature..... Date.....

(3) Signature..... Date.....

KWFT CENTRE, MASABA-KIAMBERE ROAD JUNCTION, 6TH FLOOR | P.O. BOX 24203 - 00100 NAIROBI | TEL: +254 20 499 623 6/7/8

Appendix 9: Local Purchase Order



POLICYHOLDERS COMPENSATION FUND
Dhamana Ya Bima Yako

KWFT Centre, Masaba-Kiambere Road Junction, 6th Floor
P.O. Box 24203-00100, Nairobi- Kenya | Telephone: +254 20 499 623 6/7/8
Email: info@pcf.go.ke | Website: www.pcf.go.ke

049

LOCAL PURCHASE ORDER

Suppliers are warned that this Order is Invalid unless fully signed by the signatories below

Quotation Ref. No: _____

To: _____ Contract Ref. No: _____

_____ Date: _____

_____ Requisition No: _____

_____ Date: _____

Please deliver the goods listed below at (Full Address)

On terms and conditions stated on the back of this Order and send the invoices directly to us.

No.	Item Description	Quantity	Unit Cost	Total
			Shs.	Shs.
TOTAL				

Prepared By: _____

Sign: _____ **Date:** _____

Vote Book Entry By: _____

Sign: _____ **Date:** _____

HOD Procurement: _____

Sign: _____ **Date:** _____

Managing Trustee: _____

Sign: _____ **Date:** _____

Supplier: _____

Sign: _____ **Date:** _____

Appendix 10: Stores Ledger and Stock Control Card (S3 Card)

Form S3

GOVERNMENT OF KENYA

STORES LEDGER AND STOCK CONTROL CARD

Item Code No. _____

Description: _____

Ministry: _____

Dept./Branch: _____

Location: _____

Unit of Issue: _____

A No 419170

Year	Month	Card No.	Receipt			Issue		Balance		EXPLANATION & REMARKS						
			Qty.	Unit Price	Value	Qty.	Value	Qty.	Value	Month	Day	Qty.	Value			
	January															
	February															
	March															
	April															
	May															
	June															
	July															
	August															
	September															
	October															
	November															
	December															
	Annual Total															

Initials: _____

Signature: _____

Postmark: _____

Appendix 11: Professional Opinion



PROFESSIONAL OPINION

PART A – BASIC INFORMATION
a) Name of Procuring Entity:
b) Item Description:
c) Tender No.
d) Date Tenders Invited:
e) Date Tenders Opened:
f) Members of Tender Opening Committee and Bidders Present In line with Section 78 (1) of the Public Procurement & Asset Disposal Act, 2015
g) No. of Tenderers Issued:
h) No. of Bids received:
i) Method of Procurement Applied: In line with Section 96 (1, 3 & 4); and Sec 119 (1,2, and 3) of the Public Procurement & Asset Disposal Act, 2015.
j) Names of Appointed Evaluation Committee Members:- In line with Section 46 of the Public Procurement & Asset Disposal Act, 2015.
PART B – LEGAL & PRACTICAL ASPECTS
i.A brief background statement of the procurement/asset disposal proceeding from planning to tender evaluation.
a) <u>Procurement Planning</u>

<p>b) <u>Initiation of Procurement</u></p> <p>c) <u>Invitation to Tender</u></p> <p>d) <u>Submission of Tenders</u></p> <p>e) <u>Recommendation by Tender Evaluation Committee</u></p>
<p>ii. State whether due diligence was conducted on the successful bidder (if applicable) and give brief statement of the outcome thereof.</p>
<p>iii. State whether the award is appropriate for the method of procurement/asset disposal applied citing specific provision of law and tender document.</p>
<p>iv. State whether the recommended works are within the indicative market prices:</p>
<p>v. State how evaluation criteria set forth in tender document was applied and whether or not the Tender Evaluation Committee members adhered to the law in bid evaluation</p>
<p>vi. Confirm if adequate funds are set aside (budgeted) for the procurement/asset disposal..... In line with Section 44 (sub section 2 a), Section 53 (sub section 8) of the Public Procurement & Asset Disposal Act, 2015</p>
<p>PART C - RECOMMENDATION TO ACCOUNTING OFFICER FOR APPROVAL/REJECTION</p>
<p>I have received and reviewed the Evaluation Committee's report on the for purposes of section 47(2), 80(4) and 84 of the Public Procurement and Asset Disposal Act, 2015 and recommend award of tender to at total cost of</p> <p>Based on the foregoing it is my informed opinion that the procurement proceedings meet the minimum requirements of the public procurement law and regulations. I therefore request your perusal of the evaluation report and my professional opinion and make appropriate decision in the award/rejection of the tender.</p>

Name of Procurement Professional	Designation	Signature	Date

PART D: - MANAGING TRUSTEE DECISION

iv) APPROVED
 Approved and awarded as recommended/Not approved_____

v) REJECTED
 If not awarded provide reasons/Direction _____ **SIGNATURE:**
 _____ **DATE:** _____

MANAGING TRUSTEE



Appendix 12: Threshold Matrix

Procurement Method	Maximum or minimum level of expenditure allowed for the use of a particular procurement method			Segregation of duties for different officers and committees in the procurement cycle under section 45 of Part V of the Act			
	Goods	Works	Services	Person responsible for procurement initiation	Body responsible for the awarding the contract	Person responsible for signing the Contract	Verification of receipt of goods, services or works 150/151 where applicable
International Open tender (s 89 of the Act)	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement.	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement.	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement.	Head of the User Department in consultation with accounting officer	Accounting Officer	Accounting Officer	Accounting officer or his or her appointee in writing
National Open tender (s 96 of the Act)	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement.	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement.	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement.	Head of the User Department in consultation with accounting officer	Accounting Officer	Accounting Officer	Accounting officer or his or her appointee in writing
Restricted tender under sec 102(1)(a) of the Act	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement.	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement.	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement.	Head of the User Department in consultation with accounting officer	Accounting Officer	Accounting Officer	Accounting officer or his or her appointee in writing

Procurement Method	Maximum or minimum level of expenditure allowed for the use of a particular procurement method			Segregation of duties for different officers and committees in the procurement cycle under section 45 of Part V of the Act			
	Goods	Works	Services	Person responsible for procurement initiation	Body responsible for the awarding the contract	Person responsible for signing the Contract	Verification of receipt of goods, services or works 150/151 where applicable
Restricted tender under sec 102(1)(b) of the Act	The Maximum level of expenditure shall be KES. 30,000,000 above this threshold use open tender	The Maximum level of expenditure shall be KES. 30,000,000 above this threshold use open tender	The Maximum level of expenditure shall be KES. 20,000,000 above this threshold use open tender	Head of the User Department in consultation with accounting officer	Accounting Officer	Accounting Officer	Accounting officer or his or her appointee in writing
	No minimum	No minimum	No minimum				
Restricted tender under 102(1)(c) of the Act	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement.	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement.	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement.	Head of the User Department in consultation with accounting officer	Accounting Officer	Accounting Officer	Accounting officer or his or her appointee in writing
Request for proposals (s 116 of the Act)	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement	Head of the User Department in consultation with accounting officer	Accounting Officer	Accounting Officer	Accounting officer or his or her appointee in writing

Procurement Method	Maximum or minimum level of expenditure allowed for the use of a particular procurement method			Segregation of duties for different officers and committees in the procurement cycle under section 45 of Part V of the Act			
	Goods	Works	Services	Person responsible for procurement initiation	Body responsible for the awarding the contract	Person responsible for signing the Contract	Verification of receipt of goods, services or works 150/151 where applicable
Direct Procurement under s 103(2) and (3) of the Act	No minimum or maximum expenditure under this method provided the conditions under this section are met	No minimum or maximum expenditure under this method provided the conditions under this section are met	No minimum or maximum expenditure under this method provided the conditions under this section are met	Head of the User Department in consultation with accounting officer	Accounting Officer	Accounting Officer	Accounting officer or his or her appointee in writing
Request for quotations(s 105 of the Act)	Maximum level of expenditure under this method is KES. 3,000,000 per request for quotation	Maximum level of expenditure under this method is KES. 5,000,000 per request for quotation	Maximum level of expenditure under this method is KES. 3,000,000 per request for quotation	Head of the User Department in consultation with accounting officer	Accounting Officer or delegated person in writing by the Accounting officer	Accounting Officer or delegated person in writing by the Accounting officer	Accounting officer or his or her appointee in writing
Low value procurement(s 107 of the Act)	Maximum level of expenditure under this method is KES. 50,000 per item per financial year	Maximum level of expenditure under this method is KES. 100,000 per item per financial year	Maximum level of expenditure under this method is KES. 50,000 per item per financial year	Head of the User Department in consultation with accounting officer	A person delegated in writing by the Accounting officer	A person delegated in writing by the Accounting officer	Accounting officer or his or her appointee in writing
	There is no minimum expenditure for the use of this method	There is no minimum expenditure for the use of this method	There is no minimum expenditure for the use of this method				
Competitive negotiation. (s.131 of the Act)	No minimum or maximum expenditure under this method provided the conditions under this section are met	No minimum or maximum expenditure under this method provided the conditions under this section are met	No minimum or maximum expenditure under this method provided the conditions under this section are met	Head of the User Department in consultation with accounting officer	Accounting Officer	Accounting Officer	Accounting officer or his or her appointee in writing

Procurement Method	Maximum or minimum level of expenditure allowed for the use of a particular procurement method			Segregation of duties for different officers and committees in the procurement cycle under section 45 of Part V of the Act			
	Goods	Works	Services	Person responsible for procurement initiation	Body responsible for the awarding the contract	Person responsible for signing the Contract	Verification of receipt of goods, services or works 150/151 where applicable
Electronic reverse auction (s.110 of the Act)	No minimum or maximum expenditure under this method provided the conditions under this section are met	No minimum or maximum expenditure under this method provided the conditions under this section are met	No minimum or maximum expenditure under this method provided the conditions under this section are met	Head of the User Department in consultation with accounting officer	Accounting Officer	Accounting Officer	Accounting officer or his or her appointee in writing
Force account (s.109 of the Act)	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement provided the conditions under this section are met.	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement provided the conditions under this section are met.	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement provided the conditions under this section are met.	Head of the User Department in consultation with accounting officer	Accounting Officer	Accounting Officer	Accounting officer or his or her appointee in writing
Two stage tendering (s.99 of the Act)	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement provided the conditions under this section are met.	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement provided the conditions under this section are met.	No minimum. Maximum level of expenditure shall be determined by the funds allocated in the budget for the particular procurement provided the conditions under this section are met.	Head of the User Department in consultation with accounting officer	Accounting Officer	Accounting Officer	Accounting officer or his or her appointee in writing



POLICYHOLDERS COMPENSATION FUND



**KWFT Center, 6th Floor
Masaba Road, Upper Hill**



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<https://twitter.com/pcfkenya>



Policyholders Compensation Fund -Kenya



Policyholders Compensation Fund, 2022