

Procurement Policy and Asset Disposal Procedures Manual



REVIEW & APPROVAL FORM

Policy Name: Procurement Policy and Asset Disposal Procedures Manual	Effective Date: 06/08/2021
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Description:

This policy document formalizes the responsibility and commitment of KDC Board of Directors and Management in effective management of enterprise risk. It establishes the basic principles and framework necessary to ensure effective identification and management of risk that may affect attainment of Statutory, Strategic and Operational goals of KDC


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Name	Designation	Signature	Date
The Board	Chair, The KDC Board		10/01/2023

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KENYA DEVELOPMENT CORPORATION

VERSION CONTROL TABLE

Amendments

Ref No.	Version No.	Subject of Review	Revision Date	Prepared By:	Approved By:

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CHAPTER ONE

GENERAL OVERVIEW OF THE PROCEDURES FOR PROCUREMENT OF GOODS

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AND SERVICES AND DISPOSAL OF STORES AND EQUIPMENT

INTRODUCTION

1.1: THE PURPOSE OF THE PROCEDURE MANUAL

The purpose of this manual is to ensure that Goods, Works and Services required by Corporation are acquired in an efficient and effective manner, and in compliance with the Public Procurement and Asset Disposal Act 2015, Public Procurement and Disposal Regulations, 2020, Attendant Regulations and Circulars.

This manual is to serve as a guide to the Corporation's employees on procurement of goods, services and works by the Corporation. It is intended to achieve simplicity, uniformity, efficiency and transparency in the procurement function.

All departmental Heads, management and other staff will find this manual useful in understanding and appreciating the procurement processes.

The use of the manual will ensure that the Corporation gets the best possible value for its money by obtaining goods, equipment or services of the right quality, quantity, at the right time, and price, from the right source and delivered to the right destination.

It also enlightens on processes that will ensure compliance with the Public procurement and Asset Disposal Act 2015 and the Regulations of 2006, and hence help to achieve their objectives.

These objectives mainly are;

- Maximize economy and efficiency
- Promote competition
- Increase transparency and accountability and
- Increase public confidence in those procedures.

1.2: SCOPE

This manual applies to the following:

A. Procurement of:-

- a. All consumable and non-consumable goods.
- b. All services, including; maintenance contracts, Air travel, sanitary, health services, security services, and all others.
- c. All capital works, such as construction projects, development and maintenance of buildings, electrical works, net-working, hiring of contractors and consultants.
- d. All capital items and equipment.

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- B. Supply chain management including inventory and distribution.
- C. Disposal of Stores and Equipment that are unserviceable, obsolete or in surplus.

1.3: TERMS AND DEFINITIONS

- a) APP – Annual Procurement Plan
- b) DG – Director General
- c) HoP – Head of Procurement/Manager Supply Chain
- d) DC – Disposal Committee
- e) I & AC – Inspection & Acceptance Committee
- f) AMSC – Assistant Manager, Supply Chain
- g) SSCO – Senior Supply Chain Officer
- h) SCO – Supply Chain Officer
- i) SSCOA – Senior Supply Chain Officer Assistant
- j) SCA – Supplies Chain Assistant
- k) LPO – Local Purchase Order
- l) LSO – Local Service Order
- m) PPADA – Public Procurement & Asset Disposal Act, 2015
- n) PP&DR – Public Procurement & Disposal Regulations, 2020
- o) PPRA – Public Procurement Regulatory Authority
- p) PR – Purchase Requisition
- q) RFQ – Request for Quotation

1.4 PRINCIPAL RESPONSIBILITY

The HoP shall be responsible for the implementation of this procedure manual.

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CHAPTER TWO
PROCUREMENT PROCEDURES

2.1: PROCUREMENT

1. Procurement refers to the acquisition of goods, services, and/or works from outside the Corporation in return for a consideration.
2. The Corporation should endeavor to obtain value for money which entails obtaining goods, services, and works of the right quantity/quality, price and at the right time.

The complete Procurement Cycle shall include:

- 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) Advertisement/initiation of bids
- e) Receiving and Opening Bids
- f) Evaluation of Bids
- g) Professional Opinion and Contract Award
- h) Negotiations (where applicable)
- i) Notification of Contract Award
- j) Preparation and Signing of Procurement Contract
- k) Contract Administration and Management
- l) Receipt Inspection and Acceptance of goods, works, services and consulting services.
- m) Storage and Inventory Management.
- n) Payment

2.2 Procurement Planning

The procedures under Section 53 (3) (a) of the PPADA and (Reg. 40 - 43) of the PP & DR shall apply.

- 2.2.1 This shall start with the HoP within the Month of May instructing Heads of Departments to prepare and submit their individual procurement plans as per specified format by end of May on an annual basis.

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- 2.2.2 The Heads of Departments/Divisions shall prepare the procurement plans based on:-
- a) Current Approved Corporation Budget
 - b) Strategic Plan
 - c) Departmental Priorities
 - d) Departmental Work Plans
- 2.2.3 Upon preparation of the procurement plans, the Heads of Departments/Divisions shall submit them to the HoP
- 2.2.4 The HoP shall then prepare the Corporations Consolidated APP in consultation with the users based on:-
- a) The departmental budgets
 - b) The Corporations approved budget.
- 2.2.5 The HoP shall forward the consolidated APP to the DG by Mid – June who shall give an approval it based on the criteria in 2.2.4.
- 2.2.6 In the event of disapproval, the DG shall make recommendations to the HoP for amendment/s and re-submission.
- 2.2.7 Upon approval by the DG, the HoP shall distribute the consolidated APP to all Heads of Department / Section for implementation.

2.3 Registration of Suppliers/Contractors

- 2.3.1 The HoP shall maintain and continuously update lists of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs.
- 2.3.2 The register should allow for continuous applications and updating through evaluation leading to registration on a biannual basis. It may be generated through market knowledge and survey; or as prescribed by the regulations.
- 2.3.3 The HoP shall prepare a list of successful registered suppliers upon approval by the DG.

2.4.: Initiation of Procurement

- 2.4.1 Every procurement requirement shall be initiated using a purchase requisition containing all the necessary information pertaining to the specific procurement.

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The purchase requisitions shall be approved by the person specified in the first schedule¹ prior to initiation of the procurement proceedings. In the absence of a HoD the immediate officer in rank shall approve.

The initiation of the procurement shall start with the user raising a Procurement Requisition in line with the approved Corporation procurement plan and budget

2.4.2 On receipt of a duly approved procurement requisition and complete specifications from the user department, the HoP shall record and select the method of procurement and the timelines as guided by PP&DA and PP&DR

2.5. Methods of Procurement

These shall include:-

- 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
- m) Any other method prescribed

2.6 Procurement by Open Tendering

2.6.1 The HoP shall verify if items need procurement by open tender then forward the requisition to the AMSC for execution.

¹ Refers to the second schedule in the Public Procurement and Disposal Regulations (Threshold Matrix) ,2020

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The Corporation shall bring the invitation to tender to the attention of those who wish to submit their tenders if the estimated value of the procurement for goods and services is equal to or more than Ksh 3,000,000.00 (three million), and for works is equal to or more than Ksh 5,000,000 (five million). Time limit shall be a minimum of seven days.

2.6.2 The invitation to tender should be clear in regard to the name and address of the Corporation, Tender Number, description of goods, services or works including the time limit for delivery and completion, the place and date of submission, opening and other conditions stipulated. Standard documents containing sufficient information shall be used to ensure competition among tenderers on the basis of complete neutral and objective terms.

2.6.3 The AMSC shall follow work instructions as outlined below:

- i. *Prepare Tender documents in line with the PPADA (Section 96– 99 for the respective procurement procedure selected and PP&DR (Reg. 85-87) in case of restricted tender*
- ii. *Advertise tender notice twice in a newspaper of wide circulation, the Corporation website and the Public Procurement Information Portal (PPIP)*
- iii. *Sell or upload tenders and respond to any clarifications.*
- iv. *Provision of tender documents: It is a requirement that the Corporation avails the tender documents to candidates in an expeditious manner and at a price not exceeding the cost of production and delivery and in any case not more than one thousand Kenyan shillings and free to the disadvantaged groups*
The invitation to tender should be clear regarding Name and address of the Corporation, Tender Number, description of goods, services or works including the time limit for delivery and completion, the place and date of submission, opening and other conditions stipulated. Standard documents containing sufficient information shall be used to ensure competition among tenderers with objective terms.
- v. *The Corporation may include in the tender documents a condition that tenders must be accompanied by a security in form of a deposit or tender guarantee. This amount shall not exceed 2% of the estimated value of the contract (Section 61 of the PPADA). The security shall be forfeited in the following circumstances:*

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(a) If a tenderer withdraws its tender during the period of tender validity specified by KDC on the Tender Form; or

(b) In the case of a successful tenderer, if the tenderer fails:

(i) to sign the contract within 30 days in accordance with the tender instructions

(ii) to furnish performance security in accordance with the tender instructions

2.7 Modification or amendment to tender (addendum)

After the purchase of tender documents, the Corporation may amend or modify the tender documents (either in its own initiative or in response to an enquiry) such amendments or modification should be communicated to all the candidates (tenderers) However, when the remaining period to the close of the tender is less than one third (1/3) of the period earlier granted, the closing date will be postponed by a period sufficient enough to allow all candidates (tenderers) to take the amendment or modification into account in preparing their tenders.

2.8 Submissions, Receipt and Opening of Tenders.

The integrity of a sealed competitive tender system depends upon all tenders being submitted without the knowledge of competing tenderers. Therefore the procedure employed must uphold integrity through the security and secrecy of all tenders until they are opened.

2.9 Submission of Tenders.

a) All tenders to the Corporation shall be submitted in writing, signed and in a sealed envelope, to the designated place and before the deadline stated in the invitation to tender.

b) Tender Box should be clearly labeled “Tender Box”, placed in an open and accessible place and safely locked with two locks. One key to the tender box shall be kept by the Manager Supply Chain and the other by the Chairman of Opening Committee.

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2.10 Receipt of Tenders

- a) Hand delivered tenders shall be placed in the "Tender Box" by the tenderer or his representative.
- b) Tenders sent by post shall be deposited in the "Tender Box" immediately they are received.
- c) If tenders by post are opened by mistake by any officially authorized Corporation staff to open mail, this shall be recorded on the envelope before placing such tender in the tender box.
- d) Bulky or large tender documents that cannot be accommodated in the tender box shall be received in the manner prescribed by the Corporation, tender advertisement notice and/or prescribed in the tender documents.
- e) Tenders received after the deadline for submission shall be rejected and returned to the tenderer unopened.

2.11 Opening of Tenders

A tender opening committee nominated by the HoP and appointed by the DG shall open all tenders on the date stipulated in the tender document/tender notice, serialize and record them in the tender opening summary in the presence of the bidders or their representatives. The secretary to the tender opening committee shall take minutes of the exercise.

- a) Tenders shall be opened immediately after the deadline for submitting.
- b) Tenderers or their representatives are allowed to attend the opening of tenders.
- c) Opening of each tender will be done by an Opening Committee appointed by the Director General comprising of not less than three officers, one of whom should not be directly involved in the processing of tenders.

The Manager Supply Chain shall propose members of the Opening committee to the Director General for appointment.

- d) During opening of tenders, the following shall be read out aloud:-
 - Name of the tenderer
 - Total amount of each tender (where applicable).

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- Status of the tender guarantee (where applicable), that is, whether tenderer has submitted a tender bond or security.
- e) The total price of the tender may not be read where:
- The tender consists of numerous items that are quoted separately.
 - The tender is preceded by a technical evaluation and such tender has not met the technical evaluation criteria.
- The tender opening committee shall decide on:-
- The pages of each tender to be numbered with serial numbers allocated to each tenderer.
 - Pages to be signed by all members of the committee.
- f) All the members of the opening committee must initial against.
- Prices quoted.
 - Any corrections of prices quoted.
- g) The committee shall prepare and sign minutes containing a record of the procedure followed and particulars of tenders or their representatives present at the meeting, and whether any sample has been submitted in respect to the tender.

2.12 Evaluation

2.12.1 The HoP in liaison with the Heads of the User Departments and two other departments or their representatives shall ensure an Evaluation Committee consisting of three and five members is nominated for appointment by the DG. The SSCO or any other Supply Chain Staff shall serve as the secretary. Subject to the PPA&DA, the evaluation committee may invite external technical experts who are not employees of the organization to assist in matters that need specific technical expertise.

2.12.2 In the event that the DG disapproves the list, he/she shall make recommendations to the HoP.

2.12.3 The SSCHO shall submit all opened tenders together with tender opening minutes and tender opening attendance registers to the appointed evaluation committee.

2.12.4 The evaluation committee shall evaluate the tenders in accordance with PP&ADA Section 46 and 80; and PP&DR (Reg. 29-32) and based on the criteria set in the Tender

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Document. An evaluation report in the format specified in Regulation 78 of the PP&DR shall be forwarded to the HoP and shall be submitted within 30 days after opening. An evaluation committee may, after tender evaluation, but prior to the award of the tender, conduct due diligence and present the report in writing to confirm and verify the qualifications of the tenderer who submitted

2.13 Professional Opinion

In accordance with Section 84 of the PP&ADA, the HoP alongside the report to the evaluation committee as secretariat comments, review the tender evaluation report and provide a signed professional opinion to the DG on the procurement.

2.13.1 Upon approval by DG the HoP shall issue notification to the successful and unsuccessful bidders within 7 working day before the expiry of the period during which tenders must remain valid.

2.14 Award

2.14.1 The SSCO shall issue a duly approved LSO/LPO to the successful bidder if value of Goods and Services is up to Kshs. 3 Million and works if the value is to Kshs. 5 Million. An option of a contract may be recommended where necessary.

2.14.2 If the value exceeds the thresholds for Goods, Services and Works stated in paragraph 2.14.1 or a contract is necessary for execution, the relevant documents shall be submitted to Legal department for preparation of contract as per the Contract preparation procedure in the Legal Procedure Manual within 7 days.

2.14.3 On receipt of a draft contract from Legal department, the HoP shall forward the same to the user department for review and comments.

2.14.4 The final contract shall be forwarded to the supplier/contractor for execution.

The Corporation will then enter in to a written contact with the winning bidder within the period that the tenders must remain valid but not until fourteen days have elapsed following the notification. Where the successful tenderer is unable to accept the award, or to supply the goods and services, the Corporation shall notify the person who submitted the tender that, according to the Evaluation would have been successful had the successful tender not been submitted

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2.14.5 All matters concerning tenders remain strictly confidential right from opening of tenders to the time of signing the contract agreement in accordance with Section 67 of the PP&ADA and all staff participating in the procurement proceedings by signing confidentiality declaration form (Regulation 65 of PP&DR)

2.15 Procurement using Design Competition

2.15.1 The HoP shall verify the Goods, Works and Services that need design competition.

2.15.2 The HoP shall forward the requisition to the AMSC.

2.15.3 Upon receipt, the AMSC shall ensure that:

- i. Procedures for design are in line with the PP&ADA (Section 100-101) an PP&DR (Regulations 88)*
- ii. Upon approval by the DG a duly approved LSO/LPO shall be issued to the successful bidder within 3 working days.
Where the threshold requires contract preparation, the relevant documents shall be submitted to Legal Department upon receipt of acceptance letter within 3 working days.*
- iii. On receipt of a duly signed contract from Legal department HoP shall forward the same to the Contractor/Supplier to effect delivery.*

2.16 Procurement method using Restricted Tendering

2.16.1 The HoP shall verify the Goods, Works and Services that need Restricted Tendering procurement.

2.16.2 However, the procedure will only be used if the Corporation determines that:

- The conditions prescribed in the PP&DA and PP&DR for restricted tendering are met
- Records in writing the reasons for using the restricted procurement procedure.
- obtains written approval from the DG

2.16.3 The HoP shall forward the requisition to the AMSC.

2.16.4 Upon receipt, the AMSC shall ensure that:

- i. Procedures for restricted procurement are in line with the PPADA (Section 102) and PP&DR (Reg. 89).*

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- ii. *Appointment of the Evaluation Committee is made where necessary*
- iii. *Invitation of the contractor/supplier for the negotiation meeting is made where necessary*
- iv. *The negotiation report in form of an Agenda Paper from the negotiation committee is forwarded by the AMSC for review by the HOP.*
- v. *Upon approval by the DG a duly approved LSO/LPO shall be issued to the successful bidder within 3 working days.*
Where the threshold requires contract preparation, the relevant documents shall be submitted to Legal Department upon receipt of acceptance letter within 1 working day.
- vi. *On receipt of a duly signed contract from Legal department HoP shall forward the same to the User/Finance/Contractor/Supplier to effect delivery*

2.17 Procurement method using Direct Procurement

2.17.1 The HoP shall verify the Goods, Works and Services that need direct procurement and ensure the procurement satisfies the conditions prescribed.

2.17.2 The HoP shall forward the requisition to the AMSC.

2.17.3 Upon receipt, the SPO shall ensure that;

- i. *Procedures for direct procurement are in line with the PPADA (Section 103-104) and PP&DR (Reg. 90)*
- ii. *Procedures for negotiations are in line with PP&DR (Reg. 90)*
- iii. *Appointment of the Negotiation Committee is mad.*
- iv. *Invitation of the contractor/supplier for the negotiation meeting is made.*
- v. *The negotiation report will be forwarded to HoP to review and to provide a professional opinion to the DG.*
- vi. *Upon approval by the DG a duly approved LSO/LPO shall be issued to the successful bidder within 3 working days.*
Where the threshold requires contract preparation, the relevant documents shall be submitted to Legal Department upon receipt of acceptance letter within 3 working days.

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vii. *On receipt of a duly signed contract from Legal department HoP shall forward the same to the Contractor/Supplier to effect delivery.*

2.18 Procurement method using Request for Quotations

2.18.1 The HoP shall verify the Goods, Works and Services that need Procurement by quotation.

2.18.2 The HoP shall forward the requisition to the SPO for execution.

2.18.3 The SPO shall:

- i. *Apply the procedures for request for quotations in line with the PP&DA (Section105 - 106) and PP&DR (Reg. 91)*
- ii. *Allocate an RFQ reference number, raise the RFQ and submit to HoP for approval within 2 working days of receipt of requisition. See Annex for a RFQ page format*
- iii. *Dispatch the approved RFQ to the selected bidders within 2 working days from the date of approval.*
- iv. *Collect and open RFQs from the quotation box on the opening date as indicated on the RFQ.*
- v. *Summarize, evaluate and forward to the HoP as appropriate within 3 working days from date of opening.*
- viii. *The report will be forwarded to HoP to review and to provide a professional opinion to the DG.*
 - i. *Upon approval by the DG a duly approved LSO/LPO shall be issued to the successful bidder within 3 working days for delivery of goods, works or services to be effected.*
 - ii. *Where the threshold requires contract preparation, the relevant documents shall be submitted to Legal Department upon receipt of acceptance letter within 3 working day.*
 - iii. *On receipt of a duly signed contract from Legal department HoP shall forward the same to the Contractor/Supplier to effect delivery.*

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2.19 Low Value Procurement

The HoP shall verify the items/service/works that qualify for low value procurement. The HoP shall forward the requisition to SSCO who shall apply the procedures for low value procurement in line with the PP&ADA (Section 107 - 108) and PP&DR (Reg. 92) and the threshold matrix.

2.20 Force Account

2.20.1 The HoP shall verify if the procurement needs Force Account procedure after satisfying the prescribed conditions.

2.20.2 The HoP shall provide a professional opinion to the ED and seek approval.

2.20.3 Upon approval by the ED the force account procedure shall be applied in line with the PP&ADA (Section 109) and duly approved LSO/LPO/ contract/instructions shall be issued to the public entity/ Officer bidder within 3 working days for delivery of goods, works or services to be effected

2.21 Electronic Reverse Auction

This may be used in exceptional circumstances upon approval by the PPRA as prescribed in PP&ADA (Section 110 - 113) using an appropriate and secure software

2.22 Framework Agreement

The HoP shall verify if items/works/ services need framework agreement by ensuring the conditions for the procedure are satisfied.

2.22.1 The HoP shall forward the requisition to AMSC who shall apply the Framework Agreement procedure in line with the PP&ADA (Section 114) and PP&DR (Reg. 102-104)

2.22.2 The AMSC shall follow work instructions as outlined below:

- i. Prepare Tender documents*
- ii. Advertise tender notice twice in a newspaper of wide circulation, the Corporation website and the IFMIS Suppliers Portal*
- iii. Sell tenders and respond to any clarifications.*

2.22.3 A tender opening committee nominated by the HoP and appointed by the DG shall open all tenders on the date stipulated in the tender document/tender notice,

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serialize and record them in the tender opening summary in the presence of the bidders or their representatives. The secretary to the tender opening committee shall take minutes of the exercise.

2.22.4 The HOP in liaison with the Heads of the User Department shall ensure an Evaluation Committee is nominated for appointment by the DG. The SSCO shall serve as the secretary.

2.22.5 In the event that the DG disapproves the list, he/she shall make recommendations to the HoP.

2.22.6 The SSCO shall submit all opened tenders together with tender opening minutes and tender opening attendance registers to the appointed evaluation committee.

2.22.7 The evaluation committee shall evaluate the tenders in accordance with PP&ADA Section 46, 80 and PP&DR (Reg.16) and based on the criteria set in the Tender Document. An evaluation report to the HoP shall be submitted within 30 days after opening.

2.22.8 In accordance with Section 84 of the PP&ADA the HoP alongside the report to the evaluation committee as secretariat comments, review the tender evaluation report and provide a signed professional opinion to the ED on the procurement.

2.22.9 Upon approval by DG, the HoP shall issue notification to the users, successful and unsuccessful bidders within 7 working days.

2.22.10 Following the approval by DG, the SSCO shall issue a duly approved LSO/LPO to the successful bidders as prescribed in Section 114 of the PP&ADA.

2.22.11 Quarterly reports on the procurements undertaken through framework agreement shall be prepared and submitted to the DG.

2.23. Request for Proposals

This procedure applies to procurement of professional services which are predominately intellectual or advisory in nature.

2.23.1 The user department shall prepare terms of reference that shall set out the specific requirements in accordance with Section 117 of the PP&ADA. The terms shall contain the following;

- a. Background and reasons necessitating the procurement.

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- b. Objectives expected to be achieved by the Corporation.
- c. Output expected from the winning Tenderer.
- d. Qualifications necessary to be awarded the Tender.

2.23.2 The HoP shall verify the Goods, Works and Services that need Expression of Interest/ Request for proposal and forward the requisition to AMSC for execution with a recommendation to use either of the following methods of selecting consultants as follows:

- (a) Quality and Cost Based Selection - QCBS
- (b) Quality Based Selection- QBS
- (c) Least Cost Selection- LCS
- (d) Fixed Budget Selection - FBS
- (e) Single Source Selection - SSS
- (f) Consultants Qualifications Selection – CQS

2.23.3 Upon receipt, the AMSC shall apply the open tender procedures for request for proposal in line with the PP&ADA (Part X) and PP&DR (Part X)

- i. Prepare Tender documents in line with the respective procurement procedure selected and PP&DR (Reg. 89) in case of restricted tender*
- ii. The Corporation shall send out a notice for Expression of interest and advertise the notice twice in a newspaper of wide circulation, the Corporation website and the Public Procurement Information Portal (PPIP). This shall give minimum of seven days for tenderers to submit their expression of interest.*
- iii. After the deadline for submitting the EOI, the Corporation shall examine them to determine if the person submitting is qualified to be invited to submit a proposal.*
- iv. The Corporation shall give to those deemed qualified, a request for proposal and a copy of the terms of reference. The request for proposal shall contain all the information required for submission of tenders. The terms of reference will also contain anything else required in strict adherence to the Act and the Regulations.*

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- 2.23.4 A tender opening committee nominated by the HoP and appointed by the DG shall open all the EOI on the date stipulated in the tender notice, serialize and record them in the tender opening summary in the presence of the bidders or their representatives. The secretary to the tender opening committee shall take minutes of the exercise.
- 2.23.5 The HoP in liaison with the Heads of the User Department and two other departments or their representatives shall ensure an Evaluation Committee consisting of three and five members is nominated for appointment by the DG. The SSCO or any other Supply Chain Staff shall serve as the secretary.
- 2.23.6 In the event that the DG disapproves the list, he/she shall make recommendations to the HoP.
- 2.23.7 The SSCO shall submit all opened tenders together with tender opening minutes and tender opening attendance registers to the appointed evaluation committee.
- 2.23.8 The evaluation committee shall evaluate the tenders in accordance with PP&ADA Section 46, 80 and PP&DR (Reg. 74-76) and based on the criteria set in the Tender Notice. The Evaluation report presented to the HoP shall include a recommendation to award the Tender to the person who submitted the most substantially responsive proposal with the highest total score taking in to account both Technical and Financial evaluation. The evaluation report to the HoP shall be submitted within 30 days after opening
- 2.23.9 The Corporation shall notify the bidder who submitted the winning proposal that his proposal was successful. At the same time notify all other bidders who submitted proposals that their proposals were not successful.
- 2.23.10 In accordance with Section 84 of the PP&ADA, the HoP alongside the report from evaluation committee and secretariat comments; will review the tender evaluation report and provide a signed professional opinion to the DG on the procurement.
- 2.23.11 Upon approval by DG the HoP shall either recommend negotiation to be conducted by the evaluation committee as provided for in Section 128 and 131 of the PP&ADA or issue notification to the successful and unsuccessful bidders within 7 working days. The Corporation may conduct competitive negotiations as prescribed in Section 131 – 133 of the PP&ADA where applicable. The negotiation team will then negotiate with the person who submitted the winning proposal and may request and permit changes subject to the provisions of Section 132 of the PP&ADA.

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- 2.23.12 When the evaluation committee conducts negotiations with the successful bidder, a negotiation report will be forwarded to HoP to review and to provide a professional opinion to the DG.
- 2.23.13 Upon approval by DG, the SSCO shall issue a duly approved LSO/LPO or if a contract is necessary for execution, the relevant documents shall be submitted to Legal department for preparation of contract within 14 days as prescribed in Part XI of the PP&ADA. The corporation will then enter into a written contract which shall indicate the maximum amount of money that can be paid and the maximum amount of time that can be paid for under the contract.
- 2.23.14 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.

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CHAPTER THREE

PROCUREMENT PROCESSES AND AUTHORIZATION

3.1 INTRODUCTION

The objective of the procurement process is to ensure that the Corporation receives value for money.

In order to realize the above objective, there is need for efficiency, integrity, honesty, fairness, transparency, and accountability in the procurement process.

Adequate authority and proper procurement procedures are necessary to realize these.

All procurements shall be based on the Procurement plan approved by the management and the DG.

3.2 The Procurement Head and the Procurement Function

The procurement function as defined under section 2 of the PP&ADA shall be handled by Procurement Professionals and the Manager Supply Chain shall among other functions be responsible for rendering procurement professional advice to the DG.

The Manager Supply Chain shall report directly to the Accounting Officer and provide a signed professional opinion on any procurement or asset disposal proceedings. This will inform/ guide the DG in making the decision to award.

3.3 The Director General as the Accounting Officer

The DG shall primarily be responsible for ensuring compliance with the public procurement procedures and among others approve and sign all contracts in accordance with Section 44 of PP&ADA. The DG shall take into account the views of the head of the procurement in the signed professional opinion.

3.4 Segregation of the responsibilities

Section 45 of the PP&ADA lays emphasis on the segregation of duties for different officers in the procurement cycle.

To ensure that the DG's decisions are made in a systematic and structured way, systems and procedures shall be established to facilitate the decision making for procurement and asset disposal proceedings.

All asset disposal processes shall be handled by different persons in respect of identification, consolidation, preparation of a disposal plan, pricing and the disposal itself.

All public officers involved in procurement or asset disposal processes shall bear responsibility for their actions and omissions. The threshold matrix in the first schedule of the Thresholds Matrix segregates the various functions.

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3.5 Approvals

All approvals relating to any procedures in procurement shall be in writing and properly dated, documented and filed.

In approving procurements relating to an urgent need, the accounting officer shall be furnished with adequate evidence to verify the emergency.

No procurement approval shall be made by a person exercising delegated authority as an accounting officer or head of the procurement function unless such delegation has been approved in writing by the accounting officer or the head of the procurement unit, respectively.

3.6 The Purchase Requisition/Proposal will emanate from:-

1. The Store
2. User Department
3. The Director General/ Management.

3.7 Procurement for the Common User Stores

1. The person in charge of the stores should observe the set re-order levels for existing stocks, or demand for new stock.
2. Based on the established economic order quantities, the in charge will make a written request to the Manager Supply Chain for replenishment of stock.
3. Based on the above, and verification of stocks, the procurement office will initiate the appropriate procurement process.

3.8 User Department role

1. On establishing a demand, the user department will confirm from the store that the item/s are not in stock.
2. Then make a written request for goods, services and works required, to the Manager Supply Chain.
3. The request/ requisition shall be approved by the Head of respective department.
4. The request is channeled to the Manager Supply Chain for consideration.
5. Based on the authorization, the procurement office will initiate the appropriate procurement process.

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3.9 Management/ Director General

1. Through their established mechanism, the management will establish the demand for procurement of goods, services and works.
2. The management then communicates to the Manager Supply Chain Unit through a copy of the minutes or a memorandum from the Director General or the Corporation Secretary.
3. For any goods works or services the procurement unit shall liaise with the user department and other specialties to define the correct specifications, evaluation criteria and Terms of reference. The Corporation may also outsource the services of a competent consultant in drawing of the specifications.
4. The Manager Supply Chain will then advise the Director General on the appropriate procurement procedure.

3.10 Authority Levels

1. The DG will be responsible for award of contract for all procurements as per the first schedule²
2. For the purposes of controlling use of funds, the Director General has the authority to veto any decisions made in a procurement process.
3. The threshold matrix in the first schedule of the Act (Thresholds) segregates the various functions.

3.10 Committees

The PP&ADA requires the establishment of the following committees;

1. Evaluation committee
2. Inspection and Acceptance committee
3. Disposal committee
4. The Tender Opening Committee

² Refers to the second schedule in the Public Procurement and Disposal Regulations (Threshold Matrix) ,2020

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I. Disposal Committee

The membership period upon appointment, shall be for two financial year subject to renewal or extension by the Director General.

Membership Structure

1. The Deputy Director Finance
2. The Deputy Director of Human resources and Administration.
3. The Manager Supply Chain shall act as secretary.
4. Two departmental heads one of whom shall be head of the end user department disposing the stores and equipment.

The committee shall select a chairman from among the members

The disposal committee shall meet at least once quarterly and within fourteen days after its inception.

Role and Responsibility

1. Recommending to the Director General the best method of disposing of unserviceable, obsolete or surplus stores and Equipment, subject to a technical report.
2. Carry out surveys in relation to disposal of stores where necessary.

II. Inspection and Acceptance Committee

An accounting officer may establish an inspection and acceptance committee pursuant to section 48 of the PP&ADA.

Membership Structure

The members shall be appointed in writing by the Director General on recommendation by the Manager Supply Chain unit.

1. A chairman.
2. At least two other members including the respective user department

Role and Responsibility

1. Inspection, testing (where necessary), review the goods works or services to ensure compliance to specifications and terms of reference.
2. Accept or reject on behalf of the Corporation, the delivered goods works or services.

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III. Evaluation Committee

Section 46 of the Act provides for the appointment of an *ad hoc* evaluation committee to deal with technical and financial aspect of the procurement. The evaluation committee may obtain technical expertise from other procurement entities or procured to join the committee. The Evaluation Committee appointed on rotational basis shall be comprised of the head of the user departments and other departments or their representatives to advise on the evaluation and give recommendations. The committee shall have as its secretary the person in charge of procurement.

Membership Structure

The members shall be appointed in writing by the Director General on recommendation by the Manager Supply Chain unit as follows:

1. A chairman
2. At least two other members from other departments including user department or their representatives.

Role and Responsibility – Section 46 (4) of the PP&ADA

1. Evaluation of the tenders or proposals received in strict adherence to the compliance and evaluation criteria set out in the Tender documents.
2. Performing the Evaluation with all due diligence and within a period of thirty days.

VI. Tender Opening Committee

This committee shall be appointed specifically for a particular Tender.

Membership Structure

The members shall be at least three, appointed in writing by the Director General.

At least one of the members shall not be directly involved in the processing or evaluation of the Tenders.

Role and Responsibility

Opening of all the Tenders received before the deadline for submission of the Tenders/ proposals.

This shall be done immediately after the deadline for submission

3.11 Conflict of Interest and Limitation of Contracts

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3.11.1 Limitation on Contracts

The corporation shall not enter into a contract for procurement with;

1. An employee, a member of the Board or member of any committee of the Corporation.
2. A minister, public servant or a member of a board or committee of the government or any department of the government or a person appointed to any position by the President or a minister.
3. A person/ corporation related³ to a person described in 1 and 2 above.

3.11.2 Conflict of interest

An employee or Agent of the Corporation, or a member of a board or committee of the Corporation, who has a conflict of interest with respect to a procurement;

1. Shall not take part in the procurement proceeding.
2. Shall not, after contract has been entered in to take part in any decision relating to the procurement or the contract.

For greater certainty, the conflict of interest will occur if the person or a relative⁴ of the person:

1. Seeks or has direct or indirect interest in another person who seeks contract for the procurement.
2. Owns or has a right in any property or has a direct or indirect pecuniary interest that results with the private interests of the person conflicting with his duties with respect to the procurement.

3.12 Contract Management

For complex and specialized procurement contract, the DG shall appoint a contract implementation team which shall include members from the procurement function, and the user department, the relevant technical department and a consultant where applicable in accordance with section 151 of the PPADA.

³ For purposes of this clause is limited to a spouse or child

⁴ A spouse, child, parent, brother or sister- A child, parent, brother or sister of a spouse -

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CHAPTER FOUR MODE OF PAYMENT

INTRODUCTION

There are two main modes of procurement used by the Corporation.

1. Direct payment – Cash/Cheques
2. Credit through – Local Purchase Orders, contracts etc.

4.1: DIRECT PAYMENT – CHEQUE/CASH PURCHASE

Cash /Cheque purchases can be used where:-

1. There is an emergency.
2. The values of the goods are immaterial to issue an L.P.O. and are within the threshold for low value procurement (Ksh 50,000 or below for goods and services ; and Ksh. 100,000 or below for works).
3. Other conditions make it impractical to process a Purchase Order.

Procedure

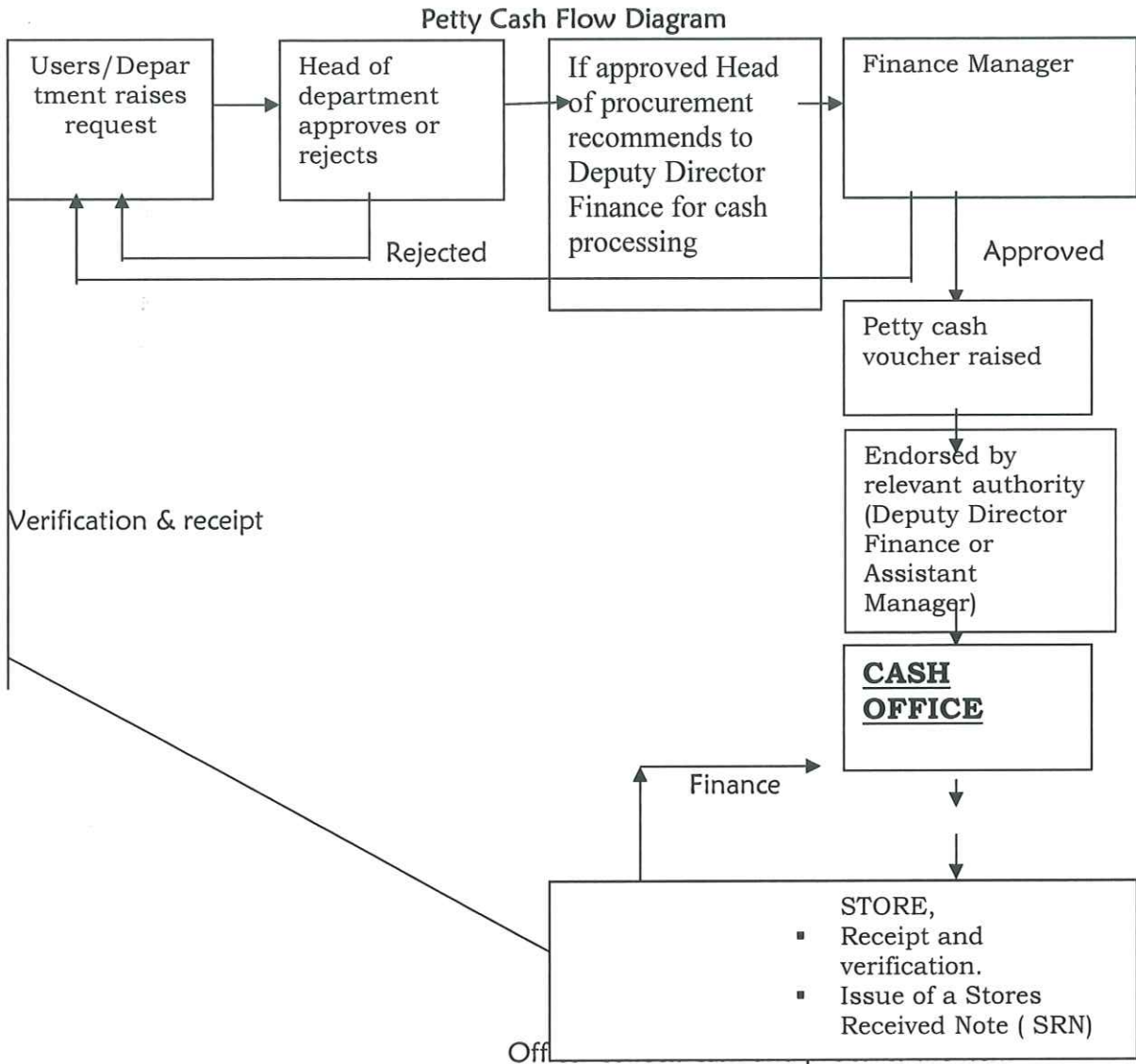
The procedure is outlined in the flow diagram herein below.

Accounting procedure

After every cash / cheque purchase, the Corporation official shall submit the original receipt and a Stores receipt Note to the cashier.

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Diagram 1: CASH PURCHASES



4.2: CREDIT PURCHASE

All credit purchases are processed through Local Purchase Orders or contracts signed by the Accounting Officer as per ANNEX 1.

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4.3: PROCEDURE

1. A purchase requisition is raised and duly approved by the relevant Head of user department
2. The Manager Supply Chain initiates the procurement by choosing the most applicable method of procurement.
3. The L.P.O is raised by the Manager Supply Chain against the approved requisitions and is forwarded to the Deputy Director Finance for signature
4. Signed L.P.Os are recorded and dispatched to the suppliers.
5. Copies of L.P.Os are then dispatched to:-
 - User Department
 - Finance Section for payment purposes
 - Store
 - Filed by Manager Supply Chain. (This copy is filed with all the documentation regarding the particular procurement)

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**CHAPTER FIVE
DISPOSAL OF STORES AND EQUIPMENT**

5.1 PURPOSE

The purpose of this procedure is to ensure efficiency and effectiveness in disposal of stores & equipment.

5.2 SCOPE

This procedure applies to disposal of idle/obsolete assets by the Corporation

5.3 REFERENCES

- a) Public Procurement & Asset Disposal Act, 2015
- b) Public Procurement & Disposal Regulations, 2020
- c) Public Procurement & Disposal General Manual

5.5 PRINCIPAL RESPONSIBILITY

The HoP shall be responsible for the implementation of this procedure in accordance with Part XIV of the PP&DA and PP&DR.

The Corporation may dispose of stores, plant and equipment under any of the following circumstances:

- 1. When the items become unserviceable due to wear and tear.
- 2. When the items become obsolete.
- 3. When the items are surplus to requirements.
- 4. When the items are damaged or defective.
- 5. When the items become uneconomical to maintain.
- 6. When the items have deteriorated due to climate, physical or biological hazards.

5.6 METHOD

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- 5.6.1 This procedure shall start with the HoP instructing Heads of Departments/Sections in writing to prepare and submit their individual disposal plans as per specified format by end of May on an annual basis.
- 5.6.2 In identifying the list of assets for disposal, the Heads of Departments/Sections shall consider:-
- a) Surplus stock
 - b) Obsolete equipment/stores
 - c) Dormant stock
 - d) Stores & Equipment reverted to the employer from completed projects
- 5.6.3 The respective Heads of Departments/Sections shall forward the disposal plans to the HoP.
- 5.6.4 Upon receipt, the HoP shall prepare a disposal plan and submit the list of items for disposal to the Disposal Committee for deliberation according to the PP&ADA (Section 163 – 166) and PP&DR (Regs. 179 - 181).
- 5.6.5 Upon approval of the recommendations of the disposal committee by the DG, the HoP shall ensure that the procedures for stores and equipment are implemented as guided by the PP&DA and PP&DR
- 5.6.6 For stores and equipment disposed to staff, the DG shall report to PPRA as per Regulation 202.

5.7 PROCEDURE

1. The employee in charge of the item shall bring the matter to the attention of the Head of Department
2. The Manager Supply Chain, the property manager and the Head of the user department will compile a list of items to be disposed.
3. The items are classified into lots and valued respectively.
4. This is tabled at the disposal committee. The disposal committee will recommend to the Director General a method of disposal, which may include any of the following;
 - a) Transfer to another public entity with or without financial adjustment.
 - b) Sale by open tender

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- c) Public Auction
 - d) Destruction, dumping or burying
 - e) Trade –in.
5. The Director General will then give the disposal committee a written notice as to whether he accepts or rejects the recommendations within fourteen days.
 6. If the Director General accepts then the stores or equipment shall be disposed in the manner recommended
 7. If the Director General rejects, he shall, within the fourteen days,
 - a) Include in the notice the reasons for rejecting.
 - b) Give a copy of the notice and reasons to the Public procurement Oversight Authority.

5.8 DISPOSAL

Where sale is by Open tender, the procurement office will advertise in accordance with the act indicating full details of the item/s

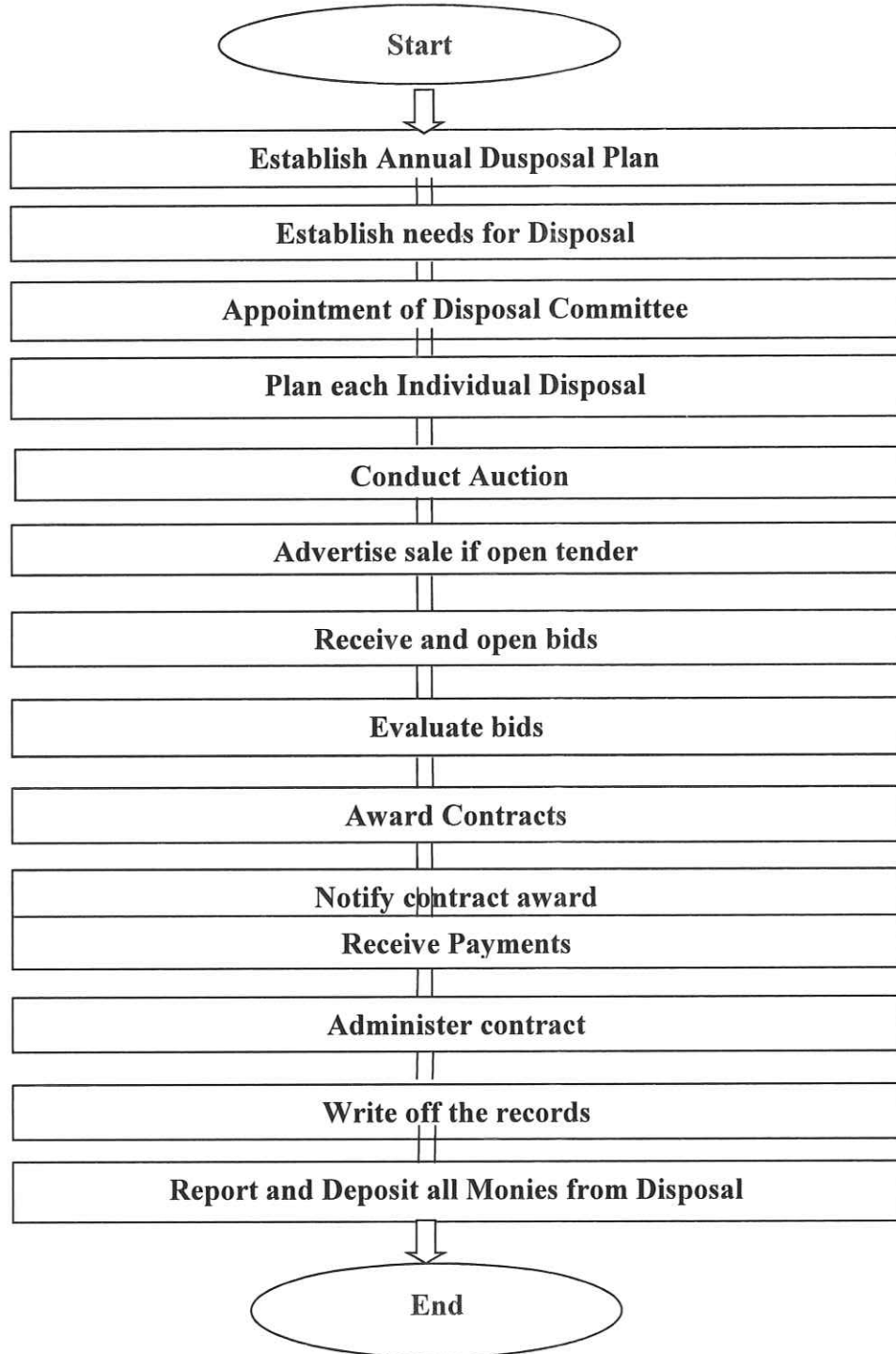
The Supply Chain office will prepare the tender documents in accordance with the procedure for open tenders.

The Supply Chain office will co-ordinate with the Officer In charge of the stores on viewing of items where applicable.

In case of a public auction, Supply Chain Office will procure the services of an auctioneer.

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PROCUREMENT DISPOSAL CYCLE



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CHAPTER SIX
INVENTORY MANAGEMENT

6.1 PURPOSE

The purpose of this procedure is to ensure efficiency and effectiveness in stores management.

6.2 SCOPE

This procedure applies to stores management in the Corporation.

6.3 REFERENCES

- a) Public Procurement & Asset Disposal Act, 2015
- b) Public Procurement & Disposal Regulations, 2020
- c) Public Procurement & Disposal General Manual

6.4 TERMS AND DEFINITIONS

- a) CRV - Counter Receipt Voucher
- b) CR&IV -Counter Receipt & Issue Voucher
- c) SCLC - Stores Control Ledger Card
- d) LPO - Local Purchase Order
- e) LSO - Local Service Order
- f) PP&ADA - Public Procurement & Asset Disposal Act, 2015
- g) PP&DR - Public Procurement & Disposal Regulations, 2020

6.5 PRINCIPAL RESPONSIBILITY

The HoP shall be responsible for the implementation of this procedure in accordance with Part XIII of the PP&DA and PP&DR

6.6 METHOD

6.6.1 Receipt of Stores

This shall start with the Stores Officer receiving stores or goods from suppliers.

6.6.2 Upon receipt, the Stores Officer shall check the goods against contracts, LPO, packing lists, invoices, and delivery notes obtained from Purchasing Unit before the goods, works and services are received.

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- 6.6.3 The Stores Officer shall receive the goods subject to I & AC in line with the PP&DR (Reg. 35 and second schedule threshold matrix), the Public Procurement & Disposal General Manual.
- 6.6.4 Upon receipt, the Stores officer shall line up the goods for inspection by the Inspection & Acceptance Committee.
- 6.6.5 In the event that the goods are rejected by I & AC, the Stores Officer shall return the same to the supplier.
- 6.6.6 Upon acceptance by the Inspection & Acceptance Committee, the Stores officer shall ensure issuance of an inspection and acceptance certificate (*See Annex for a sample inspection and acceptance certificate*) prepare a Counter Receipt Voucher for duly received goods and store the goods awaiting issuance to the users. *See Annex for a sample Counter Receipt Voucher*
- 6.6.7 The Stores Officer shall post received goods into the Stores Control Ledger card and the Master receipts register.
- 6.6.8 The Stores Officer shall then prepare a receipt folder (containing copy of procurement requisition, copies of CRV, triplicate copy of Local Purchase Order, Delivery Notes, and Invoices, Inspection Certificate) for the accepted items and forward to finance department for payment. *See Annex for an issue register page format.*
- 6.7 Issuance of Stores**
- 6.6.1 This shall start with the user raising a Store Requisition & Issue Voucher form and forward it for approval to the Head of Department / Section. *See 3.4 for a sample Counter Requisition & Issue Voucher form*
- 6.6.2 Upon receipt of the SR &IV, the respective Head of Department/Section shall approve it based on:
- a) Previous consumption
 - b) Relevance
 - c) Quantity available
- 6.6.3 Upon receipt of an approved SR &IV from the User Department, Stores Officer shall issue goods to the user who shall acknowledge receipt by signing in the SR &IV & the Master Issue Register. *See Annex for a Master Issue Register page format*
- 6.6.4 The Stores officer shall update the Stores Ledger Card.

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6.7 Stock Replenishment

6.7.1 The Stores officer shall ensure that optimum stock levels are maintained based on:

- a) Consumption
- b) Re-order levels
- c) Current approved Departmental Budgets

6.7.2 The Stores officer shall raise a procurement requisition form and forward to the HoP for approval, and then forward to Finance for confirmation of funds.

6.7.3 The Stores Officer shall then forward the duly approved requisition together with complete specifications to SPO for execution.

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CHAPTER SEVEN
STOCK VERIFICATION

7.1 PURPOSE

The purpose of this procedure is to ensure efficiency and effectiveness in stocktaking.

7.2 SCOPE

This procedure applies to stocktaking in the Corporation

7.3 REFERENCES

- a) Public Procurement & Asset Disposal Act, 2015
- b) Public Procurement & Disposal Regulations, 2020
- c) Public Procurement & Disposal General Manual

7.5 PRINCIPAL RESPONSIBILITY

The HoP shall be responsible for the implementation of this procedure in accordance with Part XIII of the PP&DA and PP&DR

7.6 METHOD

7.6.1 This procedure shall start with the HoP nominating a stocktaking team one month before the end of every quarter.

7.6.2 In nominating the team, the HoP shall consider the following:

- a) Work plan
- b) Availability of procurement staff

7.6.3 Upon appointment, the Team Leader shall convene a meeting to draw a schedule for stock taking.

7.6.4 In drawing the plan, the Team shall consider:-

- a) Calendar of events
- b) Personnel required
- c) Timeframe for undertaking stocktake

7.6.5 Upon drawing the plan, the Team Leader shall present it to the DG for approval through the HoP.

7.6.6 In approving the plan, the DG shall consider the criteria in 7.6.4.

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- 7.6.7 Upon approval, the Team Leader shall circulate it to the respective HODs/HOSs for noting and preparation.
- 7.6.8 The Team Leader shall ensure availability and distribution of stock taking sheets for the exercise. *See 3.1 for sample stock taking sheet.*
- 7.6.9 On the scheduled date(s) of the exercise, the Team shall carry out the exercise by undertaking a physical count and comparing it with the respective departmental inventories.
- 7.6.10 The Team shall record the findings in stock sheet.
- 7.6.11 Upon completion of the exercise, the Team shall prepare a report and the Team Leader shall submit it to the HoP within 5 working days of the conclusion of the exercise for information and necessary action.
- 7.6.12 As applicable, the DG shall authorize the HoP to make adjustments to the stock records for the surplus or shortages within one month from the date of completion of the stocktaking after justification.

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APPENDICES

1 Sample Inspection and acceptance Certificate
INSPECTION/ACCEPTANCE CERTIFICATE

SERIAL

NO.....

Date.....

TO:

.....
 ...

The following Goods/Works/Services have been received from

Name of

Supplier/Contractor.....

.....

L.P. O. NO.....Delivery Note

No.....

S/NO	ITEM DESCRIPTION	QUANTITY RECEIVED	QUANTITY APPROVED	QUANTITY REJECTED

The goods/works/services have been inspected and approved/rejected

Remarks;.....

.....

.....

.....

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.....
.....

INSPECTION COMMITTEE/USER/STORES OFFICER

Name..... Signature.....
Name..... Signature.....
Name..... Signature.....
Name..... Signature.....
Name..... Signature.....

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2 Sample Receipt Voucher

SERIAL
NO.....

RECEIPT VOUCHER

Received the items listed below from (supplier) _____

NO	ITEM DESCRIPTION	QUANTITY	VALUE	REMAKS

Order No-----Invoice No-----Delivery Note No-----

Certified that the quantities received have been taken on charge

Received by ----- Signature----- Design----- Date-----

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Checked by----- Signature----- Design----- Date-----

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3. Sample Stores Requisition & Issue Voucher form

COUNTER REQUISITION AND ISSUE VOUCHER

SERIAL NO.....

Items required by (office) _____

Section _____ Department _____

Please issue the stores listed below to (point of use) _____

REQUITIIONED BY		CHECKED BY			APPROVED BY
DATE		DATE			DATE
NO	ITEM DESCRIPTION	QTY ORDERED	QTYISSUED	VALUE	REMAKS

Issued by ----- Signature----- Design----- Date-----

Checked by----- Signature----- Design----- Date-----

ReceiveCd by----- Signature----- Design----- Date-----

--

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4. Master Issue Register page format

MASTER ISSUE REGISTER										
SR/NO	DATE	ITEM DESCRIPTION	QTY/ORD	QTY/ISSUED	DEPT	ISSUED TO			REMARKS	
						NAME	SIGN	DATE		

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5. Sample Stock Taking Sheet

STOCK TAKING SHEET Date:.....							
S/No	Item Code	Item Description	Unit of issue	Qty in Stock ledger	Physical Count	Variance	Remarks

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Signature..... Date.....

6. **KENYA DEVELOPMENT CORPORATION
SUPPLY CHAIN SECTION**

REQUEST FOR QUOTATION

TO:

FROM:

Seller's Name and Address Quotation No.....Date.....
Manager Supply Chain

.....
KDC
P.O. Box 45519-00100
NAIROBI

You are invited to submit quotation on material listed below:

Notes: (a) THIS IS NOT AN ORDER. Read the conditions and instruction on reverse before quoting.

(b) This quotation should be submitted so as to be placed in the Tender box on.....Floor by 10.00 on.....

(c) Your quotation should include all costs for delivery of the goods to.....including Duty, VAT, and all other taxes.

(d) Return one copy and retain the other for your record.

CODE NO.	ITEM DESCRIPTION	UNIT	QTY REQUIRED	UNIT PRICE	DAYS TO DELIVER	DISCOUNT	BRAND	COUNTRY OF ORIGIN	REMARKS

FOR OFFICIAL USE

Seller's Signature..... Opened
by.....Designation.....

Date..... Checked by.....
Designation.....

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Date.....
See conditions over leaf.

Time.....

**THIS IS NOT
AN OFFICIAL
ORDER**

7.

Stores
Requisition Note
KENYA DEVELOPMENT CORPORATION

Internal Requisition Note

TO: Manager Supply Chain

Please process an order for the following goods/services.

Department.....

Date.....

Date Required

Order No

SERIAL No.	ITEM DESCRIPTION	QUANTITY REQUIRED

Amount in words _____

Requested by -----

HEAD OF PROCUREMENT

APPROVED.....

FORWARDED.....

DEFERRED.....

CANCELLED.....

NOT APPROVED-----

CHAIRMAN..... DATE.....

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Approved _____
 Head of Department/AIE Holder

8.

Purchase Requisition

KENYA DEVELOPMENT CORPORATION

Internal Requisition Note

TO: Manager Supply Chain

Please process an order for the following goods/services.

Department.....

Date.....

Date Required

Order No

SERIAL No.	ITEM DESCRIPTION	QUANTITY REQUIRED	Estimated PRICE		TOTAL	
			Kshs.	Cts.	Kshs.	Cts.
TOTAL						

Amount in words _____

Requested by

49

HEAD OF PROCUREMENT

APPROVED.....

DEFERRED.....

CANCELLED.....

NOT APPROVED.....

CHAIRMAN..... DATE.....

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Approved _____
 Head of Department/AIE Holder



10.

KENYA DEVELOPMENT CORPORATION
HEAD OFFICE: UCHUMI HOUSE AGA KHAN WALK
P.O. Box 45519-00100, Nairobi Kenya.

**LOCAL PURCHASE
 ORDER**

SUPPLIER'S COPY

NO.

Date: -----

To:

To be delivered to

Date

Required.....

Req.

Note

No.....

Please supply the following goods/services subject to the conditions below:-

DESCRIPTION	QUANTITY	UNIT PRICE		SUB-TOTAL	
		Ksh.	Cts.	Ksh.	Cts.

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VERIFIED BY SIGNED.....
.....
MANAGER SUPPLY CHAIN

APPROVED

BY

DIRECTOR GENERAL /
DEPUTY DIRECTOR FINANCE
For K.D.C.

- PLEASE NOTE:(1) This Order is not valid unless serially numbered and officially stamped.
(2) Alteration of whatever nature must be authorized in writing by the Manager Supply Chain or the Deputy Director Finance.
(3) Invoice must cover only the items ordered which must correspond with our specifications.
(4) Unless this order is executed within **30 days**, it will be treated as cancelled without further notice.
(5) All invoices must be addressed to the Director General, Kenya Development Corporation, P.O. Box 45519-00100, NAIROBI and must quote our order number.
(6) See conditions over leaf.

11.

KENYA DEVELOPMENT CORPORATION
HEAD OFFICE: UCHUMI HOUSE AGA KHAN WALK
P.O. Box 45519-00100, Nairobi Kenya.

LOCAL SERVICE ORDER
SUPPLIER'S COPY
NO.

Date:

To:
.....
.....
.....

To be delivered to

Date

Required.....

Req.

Note

No.....

Please supply the following goods/services subject to the conditions below:-

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DESCRIPTION	QUANTITY	UNIT PRICE		SUB-TOTAL	
		Ksh.	Cts.	Ksh.	Cts.

VERIFIED BY SIGNED.....

 MANAGER SUPPLY CHAIN

APPROVED
 BY
 DIRECTOR GENERAL /
 DEPUTY DIRECTOR FINANCE
 For K.D.C.

- PLEASE NOTE:
- (1) This Order is not valid unless serially numbered and officially stamped.
 - (2) Alteration of whatever nature must be authorized in writing by the Manager Supply Chain or the Finance Manager.
 - (3) Invoice must cover only the items ordered which must correspond with our specifications.
 - (4) Unless this order is executed within 30 days, it will be treated as cancelled without further notice.
 - (5) All invoices must be addressed to the Director General, Kenya Development Corporation, P.O. Box 45519-00100, NAIROBI and must quote our order number.
 - (6) See conditions over leaf.

SECOND SCHEDULE

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ANNEX 1 – THRESHOLDS

Method	Procurement Initiation	Award of contract	Signing of Contract
Open Tenders	Director General	Director General	Director General
Restricted tender	<ul style="list-style-type: none"> ▪ Director General ▪ Head of user department 	Director General	Director General
Request for proposals	<ul style="list-style-type: none"> • Director General • Head of user department 	Director General	Director General
Direct procurement	Head of user department	Director General	<ul style="list-style-type: none"> • Director General • Deputy Director Finance whose expenditure is below Kshs. 500,000.00
Request for quotations	Head of user department	Director General	<ul style="list-style-type: none"> • Director General • Deputy Director Finance whose expenditure is below Kshs. 500,000.00
Low value procurement as per the threshold matrix	Head of user department	Manager Supply Chain	Manager Supply Chain

ANNEX 2

NOTIFICATION/ADVERTISEMENTS

Days

(Minimum Period for prospective Tenderer to respond)

National Open Tenders

7 days

International Open Tenders

21 days

Expression of Interest

7 days

Request for proposals

7 days

Request for quotations

7 days

EIGHT SCHEDULE

STANDARD DOCUMENTS

The Manager Supply Chain shall make available standard documents required for the procurement process.

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