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# KISII NATIONAL POLYTECHNIC

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## PROCUREMENT POLICY

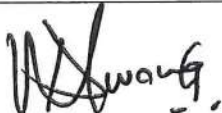

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KNP /PP/04  
2020 Edition

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**CONTROLLED**

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KISII NATIONAL POLYTECHNIC		
PROCUREMENT POLICY		Policy No. KNP/ PP/04
Principal's Signature		Date 6/5/2021
Approval by Governing Council Chairman's Signature		Date 6/5/2021
Responsible Office	PROCUREMENT	



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## **PRELIMINARY**

### **Citation**

This Policy shall be cited as The KISII NATIONAL POLYTECHNIC PROCUREMENT AND ASSET DISPOSAL POLICY 2020.

### **DEFINITION OF TERMS**

**Approved Suppliers List:** Means the list of all the suppliers that have been prequalified to supply goods, services and works to KNP.

**Candidate:** Means a person who has submitted a tender to KNP.

**CEO:** Means the Principal of KNP.

**Common user items:** Means items which are regularly required by all departments. These items include stationery, cleaning materials, furniture, printers and computers etc.

**Contract:** Means an agreement in writing entered into between a procuring entity and a candidate pursuant to an award of tender in accordance with these regulations.

**Contractor:** Means a person who enters into a procurement contract with a procuring entity.

**Corruption:** Has the meaning assigned to it in the Anti-Corruption and Economic Crimes Act, 2003 and includes the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the procurement or disposal process or in contract execution.

**Direct Procurement:** Means direct contracting without competition.

**Disposal:** Means the divestiture of public assets, including intellectual and proprietary rights, goodwill and other rights of a procuring entity by any means including sale, rental, franchise, auction or any combination however classified other than those regulated by any other written law.

**Financial year:** Means the period from 1st July of any year to 30th June of the following year.

**Public procurement:** means procurement by procuring entities using public funds

**Procurement:** Means the acquisition by purchase, rental, lease, hire purchase, license, tenancy, franchise, or by any other contractual means of any type of works, assets, services or goods including livestock or any combination and includes advisory, planning and processing in the supply chain system;

## **ABBREVIATIONS**

APP- Annual Procurement Plan

ARF- Approval Request Form

CEO -Chief Executive Officer

DC -Disposal Committee

ERP -Enterprise Resource Planning

GRN -Goods Received Note

KNP- Kisii National Polytechnic

LPO -Local Purchase Order

LSO -Local Service Order

PPADA- Public Procurement and Asset Disposal Act, 2015

PPDR -Public Procurement and Asset Disposal Regulations, 2020

SPMA -Supplies Practitioners Management Act, 2007

TEC -Tender Evaluation Committee

TOC -Tender Opening Committee

## **INTRODUCTION**

The Polytechnic recognizes the overall purpose of sound procurement procedures that will ensure that Kisii National Polytechnic (KNP) gets the highest quality of desired goods, works and services at the best prices possible. This policy is aimed at streamlining the process of procurement while maintaining adequate controls and adherence to the laid down procurement laws, rules and regulations. These procurement procedures apply to all staff involved in the procurement process and to all types of procurement. The Polytechnic will implement this Policy to ensure that all the relevant Procurement Rules, Public Procurement and Disposal Act 2015 and Regulations 2020 and relevant amendments are adhered to.

### **Historical Background**

Kisii National Polytechnic was founded in 1971 as a Harambee Institute of Technology. It was registered in 1972 under the Education Act. CAP 212 of the laws of Kenya with the objective of providing technical education and training for youths. It was moved from St. Vincent Centre where it was initially housed, to the current site in 1980. The first buildings to be put up were Woodwork Technology and Mechanical Engineering workshops, Typing Pool, Hostels, Kitchen and Dining hall. The curriculum then was Secretarial and Building technology. The institute was elevated to a national polytechnic in May 2016 through Legal notice No. 93. Since then more courses have been introduced and currently Kisii National Polytechnic offers more than eighty-eight (88) courses in Certificate and Diploma levels.

Science and Technology (S&T) activities have been recognized in the institution since its inception as vital to social and economic development. There has been rapid expansion of Science and Technology since the enactment of Science and Technology Act CAP 250 of the laws of Kenya (1977).

KNP is managed by the Governing council and college administration comprising of the Principal, Deputy Principals, the Registrar, the Dean of Trainees, Heads of Departments and their Deputies. Day to day learning activities in the college is managed by the Departments.

### **Mandate**

The mandate of Kisii National Polytechnic is to develop an institution with excellence in training scholarship entrepreneurship, research, consultancy, community service and products with emphasis on technology, its development, impact, and application within and outside Kenya.

### **Vision**

To be the preferred training institution for technical and vocational skills development.

### **Mission**

To develop highly qualified, globally competitive and innovative human resource by providing quality training, applied research & extension and entrepreneurship skills that are responsive to market demands.

### **Core Values**

The Polytechnic operations are guided by the following core values:

- a) Excellence
- b) Innovativeness
- c) Teamwork
- d) Integrity
- e) Transparency

## **APPLICATION OF PROCUREMENT AND DISPOSAL POLICY**

The policy regulations shall apply to procurement of all goods works and services by the KNP. Any deviation from these guidelines for whatever reason must be authorized in writing by the Principal. This policy, shall be effective from a date approved by the Governing Council and communicated by the Principal.

All staff involved in the procuring process, including Procurement unit, Finance department, user departments and the Principal are responsible for reading and understanding these regulations and any amendments made to them.

Ignorance of any of these regulations will not be accepted as an excuse for failure to act appropriately upon any matter or comply with the regulations as stated in the policies herein.

## **OBJECTIVE AND PURPOSE OF THE POLICY**

The objective and purpose of this Policy shall be —

- a) Obtain value for money
- b) Maximize economy and efficiency
- c) Promote competition and ensure that competitors are treated fairly
- d) Promote integrity and fairness in procurement and disposal procedures
- e) Increase transparency and accountability in procurement and disposal procedures
- f) Increase public confidence in procurement and disposal procedures
- g) Facilitate the promotion of local industry and economic development.

## **REFERENCES**

The Constitution of Kenya 2010

Public Procurement and Asset Disposal Act 2015

Public Procurement and Asset Disposal Regulations 2020

Public Procurement and Asset Disposal Manual 2009

Kisii National Polytechnic Quality Management Standards

The Public Service Code of Conduct and Ethics, 2016

Public Financial Management Act 2012

## **1.0 ORGANISATION OF PROCUREMENT FUNCTION**

### **1.1 Responsibilities of the Principal**

In the performance of the responsibility), Principal shall—

- (a) Ensure that procurements of goods, works and services of the public entity are within approved budget of that Kisii National Polytechnic;
- (b) Constitute all procurement and asset disposal committees within Kisii National Polytechnic in accordance with the Act;
- (c) Ensure procurement plans are prepared in conformity with the medium term fiscal framework and fiscal policy objectives and, submit them to the National Treasury;
- (d) Ensure proper documentation of procurement proceedings and safe custody of all procurement records in accordance with the Act;
- (e) Ensure compliance with sections 68, 147, 148 and 149 of the Public Finance Management Act, 2012;
- (f) Approve and sign all contracts of Kisii National Polytechnic;
- (g) Ensure the procurement and asset disposal process of Kisii National Polytechnic shall comply with the Act;
- (h) Ensure that the procurement processes are handled by different professional offices in respect of procurements, initiation, processing and receipt of goods, works and services;
- (i) submit to the Public Procurement Regulatory 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) Ensure compliance with any other responsibilities assigned by the Act or any other Act of Parliament or as may be prescribed by the Governing Council.

### **1.2 Role of the Procurement Officer**

The procurement function shall be handled by procurement professionals whose qualifications are recognized in Kenya.

The Procurement Officer shall among other functions under the Act:

- (a) Render professional advice to the Principal
- (b) Maintain and update lists of registered suppliers, contractors & consultants in the categories of goods, works or services according to its procurement needs.
- (c) Review tender evaluation report & provide a signed professional opinion to the Principal on the procurement or Asset disposal proceedings.
- (d) Ensure conformity on quality & quantity of goods, works & services delivered to the procuring entity.
- (e) Prepare monthly progress reports of all procurement contracts of the Kisii National Polytechnic and submit them to the Principal.

- (f) Arrange for occasional visits of inspection to stores at least quarterly in each calendar year and conduct quarterly & annual inventory and stock taking in order to ensure compliance with all respective governing Laws & submit the report to the Principal.
- (g) Ensure value for money is achieved
- (h) Assess procurement competences across Kisii National Polytechnic.
- (i) Secretariat to all procurement committees.

### **1.3 Role of the User Department (Hods)**

The end user is the division, department etc who requires the goods, services or works in order for it to undertake its operational duties:

- (a) Adequately define the user's needs (including estimated requirements/quantities, specifications) identifying minimum & desirable elements.
- (b) Ensure the requirement takes account of organization's policy requirements and aligned against organizational objectives.
- (c) Ensure compliance with relevant legal obligations relating to goods, works or services to be purchased e.g environmental/health and safety legislation.
- (d) Contribute to drafting the tender specifications
- (e) Provide technical expertise and input to support the bid assessment processes.
- (f) Prepare technical recommendation in any bid assessment report (If required)
- (g) Involved throughout the life cycle of the procurement exercise – implementation. Reviews, etc.

### **1.4 Responsibilities of Storekeeper**

The Storekeeper of Kisii National Polytechnic shall —

- (a) ensure that the store-room(s) are kept clean, properly ventilated and in good condition and that the stores are well arranged and easy to access;
- (b) inspect the store-room(s) regularly and report the Procurement Officer in case of any loss, leakage, damage or deterioration;
- (c) report half-yearly in writing to the Procurement Officer of any obsolete or unserviceable stores;
- (d) examine frequently the lock(s) of door(s) and fastenings of windows and ensure that the store-room(s) do not remain unattended when open for any purpose and shall 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;
- (e) ensure the stocks are properly stored, frequently examined and adequately protected. In particular, clothing and other stores subjected to deterioration by dampness or insects should be frequently examined and not be placed on the floor and fluids contained in tins or drums should, whenever possible, be stored off the ground to enable leakage to be readily detected;

- (f) apply good storage and preservation practices for all store items;
- (g) ensure damaged and expired stores for condemnation are kept separately from undamaged and unexpired stores;
- (h) ensure all stores of a highly inflammable or explosive nature are kept in a separate store-room;
- (i) Ensure issues are made on first in first out basis.;
- (j) ensure that stores are not allowed to expire through a lapse of the shelf life;
- (k) ensure bin cards are properly kept for each item of stores and placed on or near the respective item;
- (l) ensure notices prohibiting smoking are prominently exhibited within the store premises;
- (m) ensure access to the stores shall be restricted; and be responsible for the safe custody of all empty cases, drums, tins and packing materials that may be of any value, Quantity records in respect of such items should be kept.
- (n) Determine minimum stock level and communicate to the procurement office.

### **1.5 Functions of Evaluation Committee**

An evaluation committee, shall—

- (a) deal with the technical and financial aspects of a procurement as well as the negotiation of the process including evaluation of bids, proposals for prequalification, registration lists, Expression of Interest and any other roles assigned to it;
- (b) consist of between three and five members appointed on a rotational basis comprising heads of user department and two other departments or their representatives and where necessary, procured consultants or professionals, who shall advise on the evaluation of the tender documents and give a recommendation on the same to the committee within a reasonable time;
- (c) complete the procurement process for which it was appointed and no new committee shall be appointed on the same issue unless the one handling the issue has been procedurally disbanded;
- (d) adopt a process that shall ensure the evaluation process utilized adheres to Articles 201(d) and 227 (1) of the Constitution

### **1.6 Role of the Inspection and Acceptance Committee**

The inspection and acceptance committee shall—

- (a) Ensure that the correct quantity of the goods is received;
- (b) Ensure that the goods, works or services meet the technical standards defined in the contract
- (c) Ensure that the goods, works or services have been delivered or completed on time ,or that any delay has been noted;
- (d) Ensure that all required manuals or documentation has been received;

- (e) Issue interim or completion certificates or goods received notes, as appropriate and in accordance with the contract.

### **1.7 Functions of A Disposal Committee**

The disposal committee shall perform the following functions—

- (a) conduct board of a survey of 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 Principal, with specific recommendations on the items to be disposed or those not to be disposed and the reasons thereof.

All the committee members shall be appointed by the Principal upon the recommendation by the Procurement Officer.

### **1.8 Separation of Duties**

There shall be proper separation of duties between:

- (a) The person who orders a particular service or works from a tenderer.
- (b) The person(s) who satisfies that the services and goods supplied or works done are satisfactory and as per the KNP specifications.
- (c) The person who accepts goods into the stores.
- (d) The person who authorizes payment of services offered, work done or goods delivered.

## **2.0 PROCUREMENT PROCEDURE**

### **2.1 Procurement Planning**

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

A head of user department shall submit an annual departmental procurement plan to the Principal three months prior to the commencement of the financial year.

All procurement planning shall reserve a minimum of thirty per cent of the budgetary allocations for enterprises owned by women, youth, persons with disabilities and other disadvantaged groups

This provision shall apply to two stage tendering proceedings except to the extent those provisions are excluded from in this section and the tendering document shall call upon tenderers to submit:

(a) In the first stage of the two-stage tendering proceedings, initial tenders containing their proposals without a tender price.

(b) In the second stage, tenderers whose tenders were retained to submit final tenders with prices with respect to a single set of specifications and in formulating those specifications, modification may be done in any aspect originally set forth in the tendering document.

The final tenders shall be evaluated and compared in order to ascertain the successful tenderer.

### **3.3 Design Competition**

Principal may use a design competition procedure for the purpose of determining the best architectural, physical planning and any other design scheme, engineering, graphic or any other design scheme for its use.

### **3.4 Restricted Tendering**

The Principal may use restricted tendering if any of the following conditions are satisfied—

(a) Competition for contract, because of the complex or specialized nature of the goods, works or services is restricted to prequalified tenderers resulting from the procedure.

(b) the time and cost required to examine and evaluate a large number of tenders would be disproportionate to the value of the goods, works or services to be procured; or

(c) if there is evidence to the effect that there are only a few known suppliers of the whole market of the goods, works or services

(d) an advertisement is placed, where applicable, on the KNP website regarding the intention to procure through limited tender.

### **3.5 Direct Procurement**

KNP may use direct procurement as long as the purpose is not to avoid competition.

KNP may use direct procurement if any of the following are satisfied —

(a) the goods, works or services are available only from a particular supplier or contractor, or a particular supplier or contractor has exclusive rights in respect of the goods, works or services, and no reasonable alternative or substitute exists;

(b) due to war, invasion, disorder, natural disaster or there is an urgent need for the goods, works or services, and engaging in tendering proceedings or any other method of procurement would therefore be impractical, provided that the circumstances giving rise to the urgency were neither foreseeable by the procuring entity nor the result of dilatory conduct on its part;

- (c) owing to a catastrophic event, there is an urgent need for the goods, works or services, making it impractical to use other methods of procurement because of the time involved in using those methods;
- (d) the procuring entity, having procured goods, equipment, technology or services from a supplier or contractor, determines that additional supplies shall be procured from that supplier or contractor for reasons of standardization or because of the need for compatibility with existing goods, equipment, technology or services, taking into account the effectiveness of the original procurement in meeting the needs of the procuring entity, the limited size of the proposed procurement in relation to the original procurement, the reasonableness of the price and the unsuitability of alternatives to the goods or services in question;
- (e) for the acquiring of goods, works or services provided by a public entity provided that the acquisition price is fair and reasonable and compares well with known prices of goods, works or services in the circumstance

### **3.6 Request for Quotations**

KNP may use a request for quotations from the register of suppliers for a procurement if—

- (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 the 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.

At least four registered suppliers shall be invited to send quotations for the prescribed goods or services. In case KNP is unable to obtain four suppliers, it will seek other suppliers of that category from any public institution.

### **3.7 Low - Value Procurement**

KNP may use a low-value procurement procedure if—

- (a) procuring low value items which are not procured on a regular or frequent basis and are not covered in framework agreement;
- (b) the estimated value of the goods, works or non-consultancy services being procured are less than or equal to the maximum value per financial year for that low-value procurement procedure as may be prescribed.

### **3.8 Competitive Negotiations**

KNP may use competitive negotiations for procurement of goods, works and non-consultancy services where—

- (a) there is an urgent need that can be met by several known suppliers; or
- (b) the lowest evaluated price is in excess of available budget without compromising the quality of the subject of procurement; or
- (c) there are a few known vendors; or
- (d) there is a tie in the lowest evaluated price by the tenderers; or
- (e) there is a tie in the combined technical score

KNP shall invite the concerned vendors for the first round for the submission of bids before identifying the top ranked three for competitive negotiations.

### **3.9 Framework Agreement**

KNP may enter into a framework agreement through open tender if—

- (a) the procurement value is within the thresholds prescribed under Regulations to the Act;
- (b) the required quantity of goods, works or non-consultancy services cannot be determined at the time of entering into the agreement; and
- (c) a minimum of seven alternative vendors are included for each category

The maximum term for the framework agreement shall be three years and, for agreements exceeding one year, a value for money assessment undertaken annually to determine whether the terms designated in the framework agreement remain competitive.

Evaluation of bids shall be undertaken by an evaluation committee appointed by the Principal.

A Procurement Officer shall prepare and submit to the Principal and copy to the internal auditor quarterly reports detailing an analysis of items procured through framework agreements and these reports shall include, an analysis of pattern of usage, procurement costs in relation to the prevailing market rates and any recommendations.

### **3.10 Force Account**

KNP may use the force account method of procurement where conditions under section 109(2) and (3) of the Act, and sections 95, 97 and 98 of the Regulations are satisfied.

### **3.11 Request for Proposals.**

KNP shall use Request for Proposal for acquisition of consultancy services or a combination of goods and services or the services to be procured are advisory or otherwise of a predominately intellectual nature through Expression of Interest pursuant to section 116-129 of the Act and section 113 -130 of the regulations and shall be subject to the procurement thresholds set out in the Second Schedule of the Regulations.

### **Commonly used Procurement Methods in Kisii National Polytechnic**

- |                          |                          |
|--------------------------|--------------------------|
| 1. Open tender method    | 4. Low Value Procurement |
| 2. Request For Quotation | 5. Force Account         |
| 3. Request For Proposal  |                          |

## **4.0 PREFERENCE AND RESERVATION**

### **4.1 Requirement for preference and reservation**

Pursuant to Article 227(2) of the Constitution of Kenya, 2010 and Sections 155 and 157 of the Act, candidates shall participate in the procurement proceedings without discrimination except where participation is limited in accordance with the Act and the Regulations

This shall apply only for such manufactured articles, materials or supplies wholly mined and produced in Kenya shall be subject to preferential procurement

### **4.2 Eligibility criteria**

Pursuant to Article 227(2) of the Constitution of Kenya, 2010 and Sections 155 and 157 of the Act, candidates shall participate in the procurement proceedings without discrimination except where participation is limited in accordance with the Act and the Regulations

This shall apply only for such manufactured articles, materials or supplies wholly mined and produced in Kenya shall be subject to preferential procurement

- (1) A person shall not be qualified to benefit from a preference and reservation scheme—
  - (a) as a contracting firm, unless that person is qualified as a local contractor or a citizen contractor; or
  - (b) as a micro enterprise or an enterprise owned by a disadvantaged group unless the person is registered by the National Treasury as such upon application.

All small, micro and medium enterprise groups or disadvantaged groups that have been registered by the National Treasury shall automatically be included in the list of registered suppliers of KNP upon submission of the National Treasury Registration certificate.

Where a person is entitled to more than one preference scheme, the scheme with the highest advantage to the person shall be applied.

Candidates shall participate in procurement proceedings without discrimination except where participation is limited in accordance with this Act and the regulations.

### **4.3 Tender Security**

No tender security shall be required from small, micro and medium enterprises or enterprises owned by disadvantaged groups participating in reserved procurement proceedings

### **4.4 Reservation of Budget for Youth, Women and PWDs**

Pursuant to section 157(5) of the Act, Principal of KNP shall allocate at least thirty percent of its annual procurement budget for the purposes of procuring goods, works and services from micro and small and medium enterprises owned by youth, women and persons with disability

## **5.0 STORAGE AND ISSUANCE OF INVENTORY**

### **5.1 Storage**

The Storekeeper shall ensure that all products have optimal storage conditions are kept to sustain usability of inventory to ensure a safe environment or temperature for long-term storage

### **5.2 Requisitioning**

All requests for issuance of goods from stock shall be covered by the Stores Requisition and Issue form generated through the system which is the official document designed for this purpose.

All requests for issuance of the requirements shall be made by the user departments and approved by the Deputy Principal in charge of Administration or his/her appointee.

The justification for the need must be clearly established.

### **5.3 Verification of Requisition**

Based on the identified needs specified in the requisition, the storekeeper shall verify the requisition to ensure that it is duly authorized by the relevant head of department/section and that the requisition is properly completed

### **5.4 Issuance of Products**

Issuance of items shall be done immediately.

All issuance procedures must be followed as far as practicable, observe the First in First out (FIFO) Principle.

### **5.5 Collection of Issued Items from the stores**

The requisitioner shall collect the issued items immediately from the store and the storekeeper shall adjust the stock levels.

## **6.0 CODE OF ETHICS AND CONDUCT**

- (a) All procurement staff shall conduct themselves in a professional and ethical manner, maintain high standards of integrity and use good judgment in all the dealings
- (b) The staff shall be governed by the code of conduct as per The Public Service Code of Conduct and Ethics, 2016 in performance, behavior, and actions of all aspect of procurement including but not limited to developing specification, preparing bid documents, opening of bids, evaluation of bids, purchasing goods and services, awarding contracts, and the administration and supervision of contracts
- (c) Staff involved in the procurement process shall avoid engaging in practices or transactions that create conflict of interest.

- (d) All members of staff involved in the procurement process shall ensure that the Polytechnic obtains the best value for money through the procured goods services and works.
- (e) All staff shall be required to avoid arrangements that might in the long term prevent the effective operation of fair competition.
- (f) All staff shall not accept or receive gifts from current or potential suppliers unless such gifts are of very small intrinsic value and are of advertisement nature such as calendars, diaries, and pens.
- (g) All staff shall refrain from any business hospitality that might be viewed by others as likely to influence procurement decisions by the Polytechnic.
- (h) Due care shall be taken to avoid splitting of orders for specific works, services or goods by ensuring that the approval is within the prescribed institution's ceilings.
- (i) Due care shall be taken before requesting for variations to ensure such request is within the Act 2015 and its Regulations 2020.
- (j) Staff should not obstruct procurement process or collude with suppliers, service provider or contractors or employees to defraud the Polytechnic.
- (k) Human Resource Officer shall be the arbiter of the gift policy and will ensure consistent employee treatment across the institution.
- (l) Any exceptions to the gift policy shall be made only with the permission of the Principal
- (m) All procurement staff shall declare any vested interest before engaging any procurement activity that would create a conflict of interest and fully disclose any information at their disposal that is deemed to have a direct or indirect impact on procurement transaction.

## **7.0 SELECTION CRITERIA**

The following set of criteria is essential for deciding on choice of vendors:

- (a) Price.
- (b) Quality of goods/services. Such a justification from user must be verifiable.
- (c) Availability of goods/services within the required delivery time.
- (d) After sales services, including availability of parts/supplies.
- (e) Bidder's previous records of performance and service.
- (f) Availability of bidder to render satisfactory service in this instance.
- (g) Financial stability of the service provider/supplier (must be verified).
- (h) Availability of bidder's representatives to call upon and consult with
- (i) Payment terms.
- (j) Warranty offered if any.
- (k) Ability to provide samples if any.
- (l) Government directive on reservation policy or any other relevant matter regarding public procurement.

## **8.0 RECORDS MANAGEMENT**

- (a) KNP shall ensure the Procurement Function is staffed with a qualified staff to facilitate proper keeping and retrieval of procurement files and tender documents.
- (b) Procurement documents shall be kept for at least 6 years from the date of opening of the bids.
- (c) Procurement files will contain all relevant documents including payment vouchers and contract close out certificate.
- (d) No officer shall tamper with tender documents or cause disappearance of tender documents in any way. Procurement officers shall be responsible for files/tender documents under their custody during and after evaluation.
- (e) Files submitted for annual audit shall be under the care of finance officer during audit period and shall be returned officially to Head of Procurement after audit.
- (f) No procurement file or tender document shall be issued to any officer without prior approval of CEO through Head of Procurement. The records for procurement shall include:-
  - i. A brief description of the goods, works or services being procured;
  - ii. If a procedure other than open tendering was used, the reasons for doing so;
  - iii. If, as part of the procurement procedure, anything was advertised in a newspaper or other publication, a copy of that advertisement as it appeared in that newspaper or publication;

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

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

## **9.0 SUPPLIER EVALUATION**

In order to achieve competitive advantage and cost effectiveness, the procurement office shall ensure that the Polytechnic develops an effective system of supplier evaluation. Supplier evaluation refers to determination of the suppliers' capability to meet institutional demands of quality, quantity and timeliness of orders. The following factors shall be considered during supplier evaluation:

- |                            |  |
|----------------------------|--|
| i. Quality control records | ix. Early/ late consignments   |
| ii. Timeliness in delivery | x. Rejects for quality deficiency  |
| iii. Shortages             | xi. After-sale services  |
| iv. License                | xii. Compatibility with existing equipment   |
| v. Credit terms            | xiii. Consistency in the quality of items and variations in the prices tendered/ outdated within a given period. |
| vi. Reputation             |  |
| vii. Management            |  |
| viii. Location/ proximity  |  |

KNP shall draw the attention of all suppliers to the fact that their continued business relationship with the institution will depend on past performance and timeliness in fulfilling tender obligations.

## **10.0 MARKET SURVEY**

The Procurement department shall conduct continuous market surveys and develop an internal resource base. This shall be used by the Polytechnic for price comparisons and establishment for market trends.

The data shall be used for both technical and financial evaluation of bids. The market survey shall be carry out s in other institutions using similar goods, services or works using a survey tool. Engineer estimates should not be relied on in totality without market survey. No contract will be entered into without having carried out a market survey.

## **11.0 PROCEDURE FOR DISPOSAL OF ASSETS**

### **11.1 Preparation of Assets disposal plan**

The user department within KNP shall be responsible for identification of items due for disposal and capture them in the annual departmental disposal plan.

The head of user department shall submit the disposal plan prepared to the Procurement Officer thirty (30) days after the close of the financial year for consolidation.

### **11.2 Survey and Review of items for disposal and recommendation for disposal**

The disposal committee shall meet within fourteen days to conduct a survey and review the items, while considering the technical report and recommend the best method of disposal to the Principal

### **11.3 Preparation of Disposal Documents.**

KNP shall use standard asset disposal documents and formats issued by the Public Procurement Regulatory Authority

The Principal shall ensure the disposal document prepared contains sufficient information to allow fair competition among those who may wish to submit tenders

### **11.4 Tender notice for public tenders**

KNP shall use standard asset disposal documents and formats issued by the Public Procurement Regulatory Authority.

The Principal shall ensure the disposal document prepared contains sufficient information to allow fair competition among those who may wish to submit tenders.

The Principal of KNP shall bring the invitation to tender to the attention of those who may wish to submit tenders.

Where it is necessary to ensure wider competition, it may also send the notice directly to potential bidders which shall form part of the disposal record within fourteen days.

KNP shall organize site visit to enable bidders to gain access to the unserviceable stores or surplus or obsolete assets or equipment to make their own assessment of the item(s)

### **11.5 Receiving and opening of bids**

KNP shall make arrangements for the receipt and safe-keeping of bids up until the deadline for submission of bids, which may include:

### **11.6 Evaluation of bids**

Evaluation Committee shall conduct a preliminary examination to determine whether bids are complete and are responsive to the basic instructions and requirements of the bidding document.

The evaluation shall be completed within 30 days from the date of bid opening

### **11.7 Contract Award**

The award of shall be on the basis of the highest bidder who quoted the highest price the contracts taking into consideration the evaluation report and the professional opinion prepared by the Procurement Officer.

### **11.8 Notification and Signing of Contract**

Notification of contract award shall be made to the winning bidders and at the same time the other bidders shall be informed that their bids were not successful

### **11.9 Receipt of Payment**

The bidders shall be given a period of fourteen days from the date of notification of award within which to pay and collect the items failure to which the contract award shall lapse.

In case of failure to pay for and collect the items awarded, the bidder shall forfeit the deposit and the items shall be offered to the next highest evaluated bidder

#### **11.10 Administration of Contract**

After the receipt of payment from the successful bidder, the item for disposal shall be collected by the bidder within seven days after which it will attract storage fees.

#### **11.11 Writing off the items from the records**

Proper records for all transactions shall be kept and items sold shall be written off the records.

### **12.0 METHODS OF DISPOSAL**

#### **12.1 Sale by Open tender**

The Principal of KNP shall bring the invitation to tender to the attention of those who may wish to submit tenders through the use of newspaper with nationwide circulation or through the KNP website

#### **12.2 Sale by Public Auction**

The Principal shall ensure the disposal of items by use of a registered auctioneer through a competitive process where only registered auctioneers having valid licenses shall conduct public auctions.

KNP shall invite bids through the publication of an announcement of auction sale, inviting all potential bidders to participate in the sale.

#### **12.3 Transfer to Another Public Entity**

Transfer to another public entity method of disposal shall apply only when a KNP dispose the stores, assets or equipment to another public entity, hereafter named the receiving Procuring Entity. The transfer may be as a result of a request by the receiving entity or the proposal by KNP.

The receiving entity may pay an agreed amount of money for the items or may be issued with the items free of charge.

#### **12.4 Use of Waste Disposal Management**

The Principal shall comply with the procedure under public notice, while using waste disposal management method.

The documents, procedures and approvals required for waste disposal management shall be obtained from the relevant public agencies allowing KNP to dispose those items that are harmful and unfriendly to the environment.

The user department shall conduct an assessment to determine if KNP is capable of disposing of the stores, assets or equipment itself or if it should seek the assistance of competent agencies.

Upon execution of waste disposal management, the Principal shall obtain a certificate duly signed and issued by the disposing public entity or disposal agent.

#### **12.5 Use of Trade-In Method Of Disposal**

The Principal may use trade-in as a method of disposal of unserviceable, obsolete or obsolescence or surplus stores, assets and equipment by ensuring compliance with the Act and these Regulations.

Any justification for the use of trade-in method applied by a KNP shall arise from a combination of the need to procure and the need to dispose the stores, assets and equipment.

The disposal of stores, assets and equipment shall be a means of KNP obtaining discount as part of a disposal requirement.

A cost-benefit analysis shall be used to demonstrate the transfer advantage compared to other methods of disposal.

A disposal requirement executed using the trade-in method shall be linked directly to a procurement requirement as reflected in the procurement plan

#### **12.6 Disposal to employees, Public servants**

KNP may dispose of unserviceable, obsolete stores, assets and equipment to an employee or a member of a board or committee where:-

- a) The time and cost required to dispose to any other person would be disproportionate to the value of the unserviceable, obsolete stores and equipment to be disposed.
- b) The employee is in possession of the stores or equipment to be disposed and may be given the first priority to purchase the same.

Assets, stores and equipment shall be disposed of by taking into consideration the net book value or minimum acceptable price set by the technical expert.

#### **12.7 Cannibalization**

It involves obtaining useful parts of the obsolete unserviceable items and using them as second hand spare parts in other serviceable assets.

Caution shall be exercised so that employees do not misuse by removing or pilfering useful parts of serviceable, unserviceable or obsolete and stowing them away with an aim of later acquiring them at lower cost on disposal and re attaching them as complete assets or items.

***Where there is any contradiction between this policy and the Act, The Act shall supersede or prevail.***

#### **Effective Date**

This Policy shall be effective from the date of approval by the KNP Governing Council

**Review and Amendment**

This Policy shall be reviewed after every five (5) years, however amendment shall be made to this policy from time to time to conform to changes on Public Procurement Rules and Regulations in Kenya.

