



**Standard operating  
procedures for  
Procurement Division  
(NWHSA/PROC/SOP/06)**

**Document Review Sheet**

The Standard Operating Procedure will be reviewed from time to time

Action	Name & Signature	Position	Date

## **CONTENTS**

<b>COVER PAGE.....</b>	<b>1</b>
<b>DOCUMENT REVIEW SHEET.....</b>	<b>2</b>
<b>CONTENTS.....</b>	<b>3</b>
<b>1.0 AMENDMENT RECORD .....</b>	<b>4</b>
<b>2.0 GENERAL.....</b>	<b>5</b>
2.1 Purpose.....	5
2.2 Scope.....	5
2.3 References.....	4
2.4 List of abbreviations.....	5
2.5 Definitions of terms.....	6
2.6 Responsibility.....	7
<b>3.0 ADMINISTRATIVE STRUCTURE.....</b>	<b>7</b>
<b>4.0 PROCESSES.....</b>	<b>8</b>
4.1 Overview.....	7
4.2 Process for Acquisition of Goods, Services and Works.....	7
4.3. Process for Receiving of Goods, Services and Works.....	8
4.4. Process for Disposal of Stores and Equipment.....	9
4.5. Process for Preparation of the Annual Procurement Plan.....	10
<b>5.0 RECORDS/RETAINED DOCUMENTED INFORMATION.....</b>	<b>12</b>
<b>RISK REGISTER.....</b>	<b>19</b>



## **2.0 GENERAL**

### **2.1 Purpose**

The purpose of this procedure is to ensure that all the Procurement activities are managed effectively to ensure compliance with ISO 9001:2015 Standard, the Public procurement and Disposal ACT 2015, and National Water Harvesting and Storage Authority and the government's statutory policies, procedures, regulations to improve quality of services and enhance customer satisfaction.

### **2.2 Scope**

This procedure applies to and defines all activities carried out by the Procurement Division.

### **2.3 References**

- Kenya Constitution 2010, Article 227
- ISO 9001: 2015 Standard Clauses 4 to 10
- Public Officers Ethics Act, 2003
- Public Procurement and Asset Disposal Act, 2015
- Public Procurement and Disposal Regulations, 2020

### **2.4 List of abbreviations**

CEO	= Chief Executive Officer
CPO	= Chief Procurement Officer
EOI	= Expression of Interest
HOP	= Head of Procurement
ICT	= Information, Communication and Technology
LPO/ LSO	= Local Purchase Order/ Local Service Order
PPADA, 2015	= Public Procurement and Asset Disposal Act, 2015
PPDR, 2020	= Public Procurement and Disposal Regulation, 2006
PPRA	= Public Procurement Regulatory Authority
PRN	= Purchase Requisition Note

## 2.5 Definition of Terms

**Accounting Officer:** CEO of National Water Harvesting and Storage Authority

**Asset:** Refers to movable and immovable property tangible and intangible including immovable.

**Bidder:** A candidate who submits a tender to a procuring entity.

**Disposal:** Divestiture of the public assets, including intellectual and proprietary rights and goodwill and other rights of a procuring entity by means including sale, rental, lease franchise, auction or any combination

**Disposal of Assets** This relates to disposal of stores and equipment of a public entity that are unserviceable, obsolete or surplus.

**Goods:** Includes raw materials, things in liquids or gas form electricity and services that are incidental to the supply of goods

**Services:** Any objects of procurement or disposal other goods and works and includes professional, non-professional and commercial types of services as well as goods and services which incidentals are to but not exceeding the value of those service.

**Works:** Means construction, repair or demolition of building, roads or structures and includes: Installation of equipment and materials; Site preparation and; Other incidental services

**Procurement:** 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

**Procurement Plan:** The document prepared annually by each procuring entity, to plan all procurement requirements necessary to perform the activity plan of the procuring entity

**Regulations:** Means regulation made under Public Procurement and Asset Disposal Act, 2015

**The Act:** Refers to Public Procurement and Asset Disposal Act, 2015

**The Regulations:** Refers to Public Procurement and Disposal Regulations, 2020

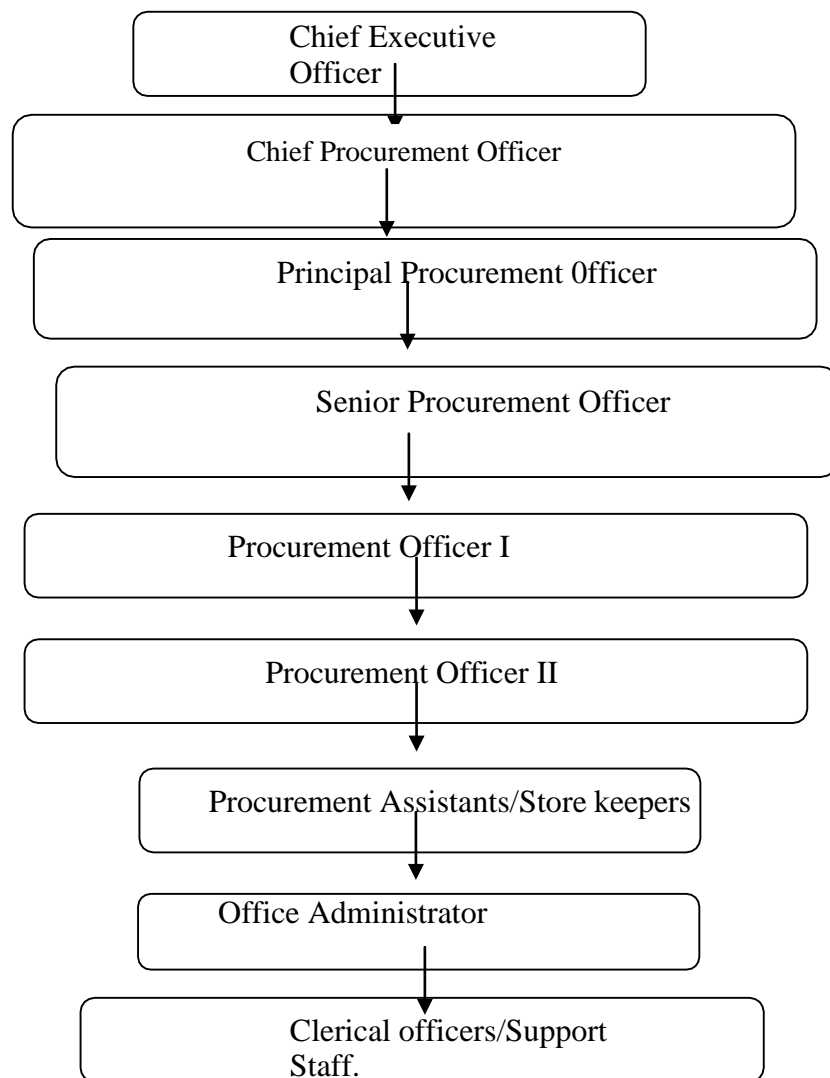
**User Department:** A User Department that forwards its needs to Procurement division for purchase, and disposal

## 2.6 Responsibility

The Head of Procurement Division has the primary responsibility of ensuring that these processes are implemented and remain adequate for their intended purpose. The Head also has the primary responsibility for providing the information from which documentation of the processes and activities can be compiled and for initiating action to keep them up to date. However, all Divisional staff members are responsible for implementing and ensuring that these procedures are followed.

## 3.0 ADMINISTRATIVE STRUCTURE

The current administrative structure for the Procurement Department is as follows:




## **4.0 PROCESSES**

### **4.1 Overview**

The Procurement Division is responsible for the processes related to Procurement Planning, Procurement of Goods, Works & services, inventory management, and disposal of assets in the Authority. The core activities of the division include:

- (i) Procurement of goods services and works.
- (ii) Receipt, storage, and issuance of stores
- (iii) Procurement planning
- (iv) Disposal of unserviceable, obsolete or surplus goods



		
	Issue No	Revision No.
<b>Document Title NWSHSA/PROC/SOP/O6/GWS</b> <b>4.2 Standard Operating Procedure For Procurement of Goods Works And services</b>		

**4.2.1 Source**

User Departments

**4.2.2 Required inputs/Resources**

- Approved requisition
- Procurement plan
- specifications
- Public Procurement and Asset Disposal Act, 2015, Regulations, and guidelines.
- Staff
- Furniture and Equipment, Stationeries
- Conducive working environment
- Budgetary Allocations

**4.2.3 Expected outputs**

- Goods/services/works procured
- Customer Satisfaction
- Improved Quality Services

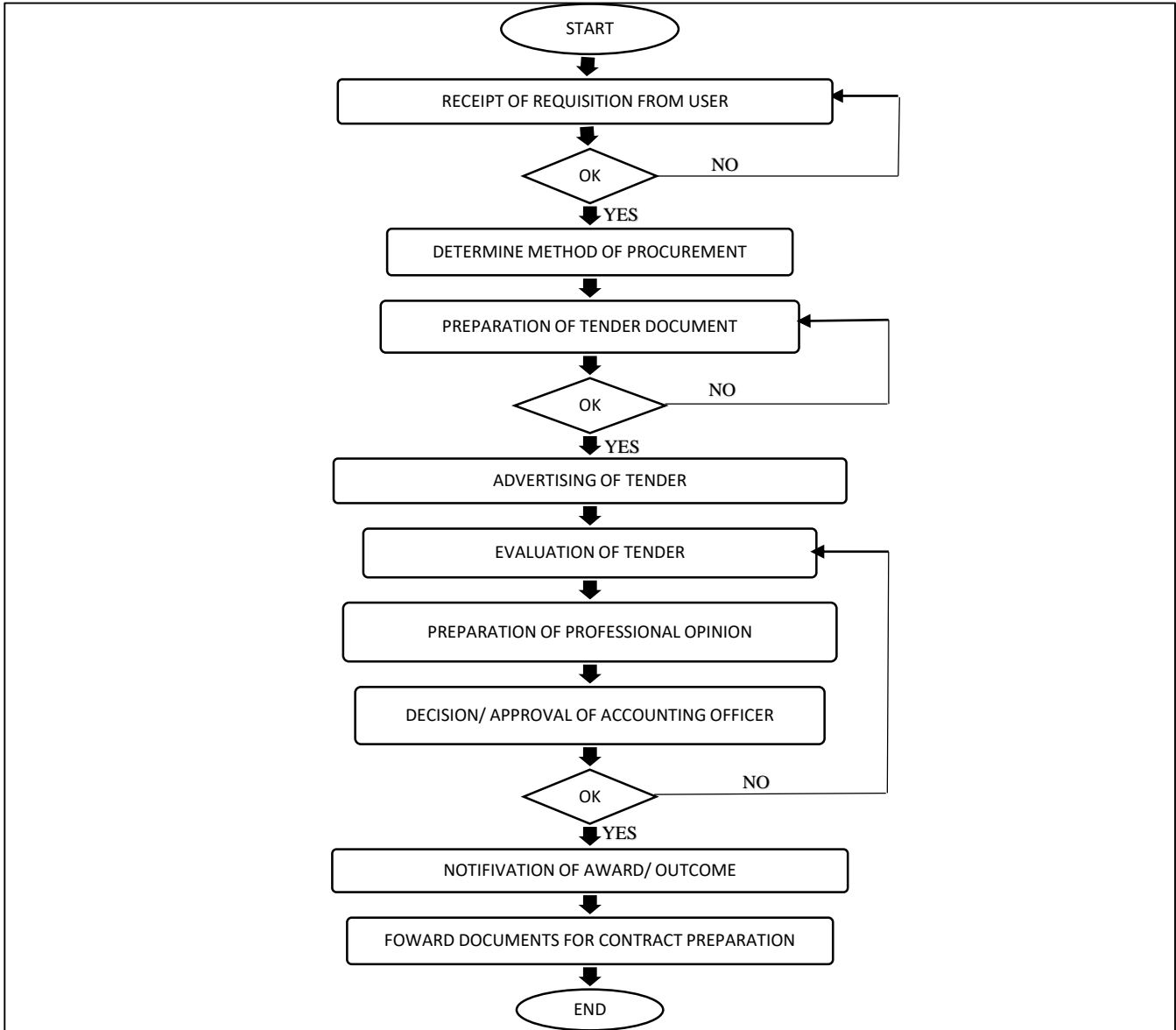
**4.2.4 Customers**


User Departments  
Suppliers  
The public

#### 4.2.5 Procedure details

S/No.	Process Details/Description	Resources	Responsibility	Timelines	Output	Measure of Success (KPI)
1.	Receipt of requisition from user department	Procurement plan Approved Memo	CPO User	1 day	Received PRN Specifications/BOQ	PRN received with Specifications
2.	Determination of Method of Procurement	PPADA, 2015 PPADR, 2020	CPO	1 day	Method of procurement	Determined Method
3.	Preparation of Tender/Quotation documents	Specifications/ requirements PPRA Standard document. PPAD, 2015 PPADR, 2020	CPO	1 week	Tender Document  Request for Quotations Document  Request for proposal Document	Approved Tender document
4.	Advertisement of tenders /request for quotations	Public procurement information portal. The Authority website  Newspapers	CPO	2 days	Published tender advertisement Notice. Expression of Interest notice. Invitation for quotations	Approved Notice for publication
5.	Opening of tenders	Tender opening register forms. Staff Tenderers representatives Stationery	Tender Opening Committee CPO	1 day	Tender/ Quotation opening minutes.  Tender Opening Register	Appointed tender opening committee.  Tender opening

6.	Evaluation of Tenders	Appointed evaluation committee  Stationery  Tenders for all bidders	Tender Evaluation on Committee.  CPO	30 days	Tender Evaluation Report	Appointed tender Evaluation committee  Evaluation report signed
7.	Preparation of professional opinion	Tender evaluation report  Stationery	CPO	1 day	Professional Opinion	Signed professional opinion
8.	Decision of Award by the accounting officer	Professional opinion  Signed evaluation report	CPO CEO	1 day	Accounting Officer Approval	Approval of the evaluation by the Accounting officer
9.	Notification of intention to award/outcome to participating bidders	Stationery Approval of the Accounting officer	CPO CEO	1 day	Notification of intention to award/ Notification outcome Letters  Debriefing letters	Notification letters  Debriefing letters
10	Forward documents To legal for Contract preparation/ preparation of LPO/LSO	Stationery  Successful Bid	CPO Legal Officer CEO	1 day	Contract document/ LPO/LSO	Memo to legal division with attachment Signed LSO/LPO



		
	Issue No	Revision No.
<b>Document Title NWSHSA/PROC/SOP/O6/RSI</b> <b>4.3 Standard Operating Procedure For Receipt, storage, and issuance of stores</b>		

**4.3.1 Source**

Suppliers

**4.3.2 Required inputs**

- Goods,
- LPO
- Goods Received Note
- Specifications
- Delivery notes
- Public Procurement and Asset Disposal Act, 2015 and Guidelines
- Public Procurement and Asset Disposal regulations, 2020

**4.3.3 Expected outputs**

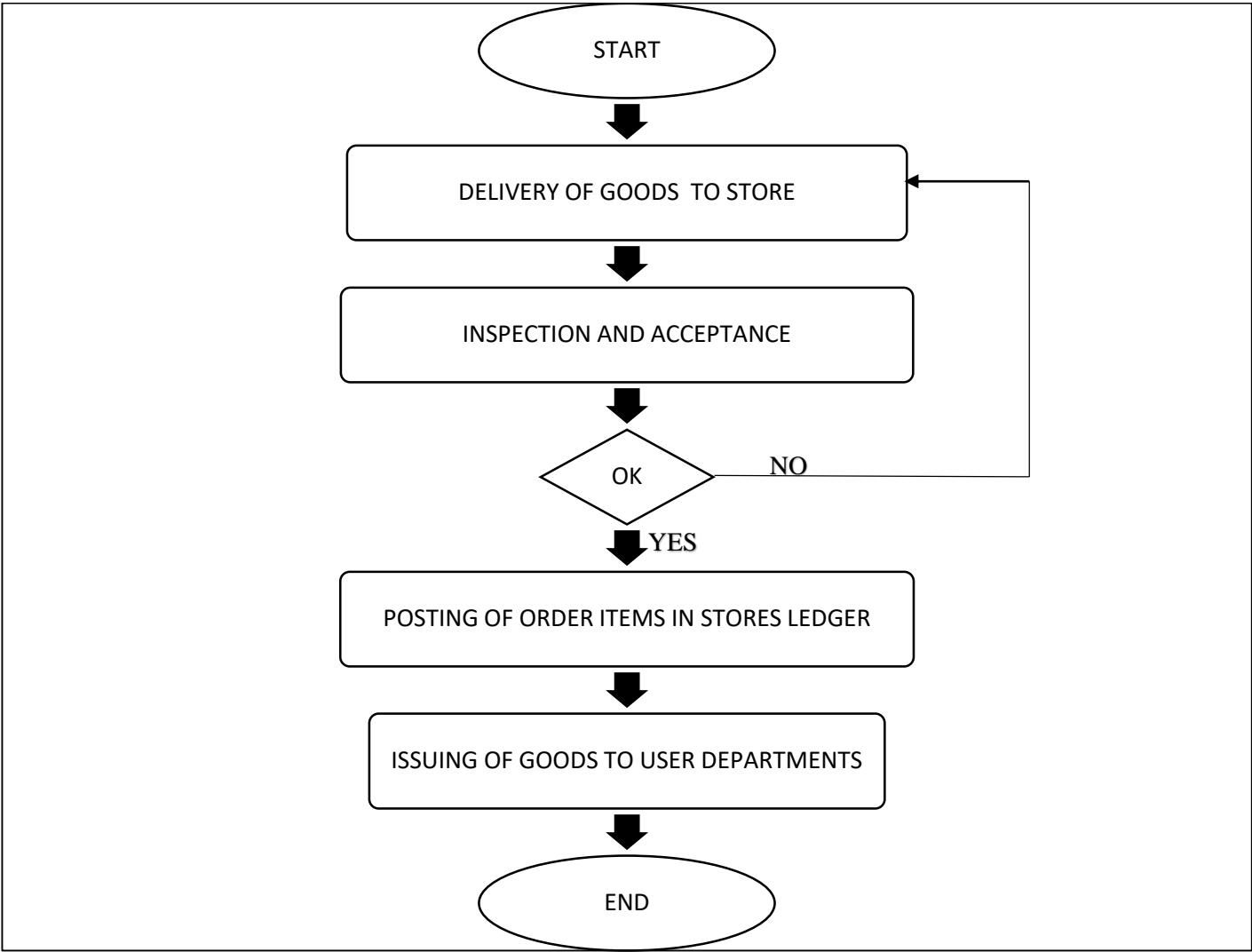
- Goods received

**4.3.4 Customers**

User departments  
 Inspection and acceptance committee  
 In-charge stores

#### 4.3.5 Procedure details

No.	Process Details/Description	Resources	Responsibility	Timeline	Output	Measure of success (KPI)
1	Delivery of goods to the stores	Delivery notes Goods delivered notes	In-charge of stores	1 day	Delivered goods	Signed delivery note
2	Inspection and acceptance of goods against specification on the LPO /Quotation	Stationery Lpo  Specifications	Inspection and Acceptance Committee  User	1 day	Received goods in store	Inspection and Acceptance Certificate GRN
5	Posting of received order items to Stores Ledger	Stationery Stores staff	In-charge stores	1 day	Posted items in stores ledger	Updated stores ledger
7	Issuing of Goods to the User Departments	Stationery Stores staff User Stores issue notes	In-charge Stores User	1 day	Goods received by user	signed Stores issue note





Issue No

Revision No.

**Document Title NWSHSA/PROC/SOP/O6/DS**

**4.4 Standard Operating Procedure For Disposal of Assets**

**4.4.1 Source**

User Departments

**4.4.2 Required inputs**

- Obsolete, unserviceable, and Surplus stores and Equipment
- Public Procurement and Asset Disposal Act, 2015
- Public Procurement and Asset Disposal regulations, 2020

**4.4.3 Expected Outputs**

- Disposed assets

**4.4.4. Customers**

User Departments

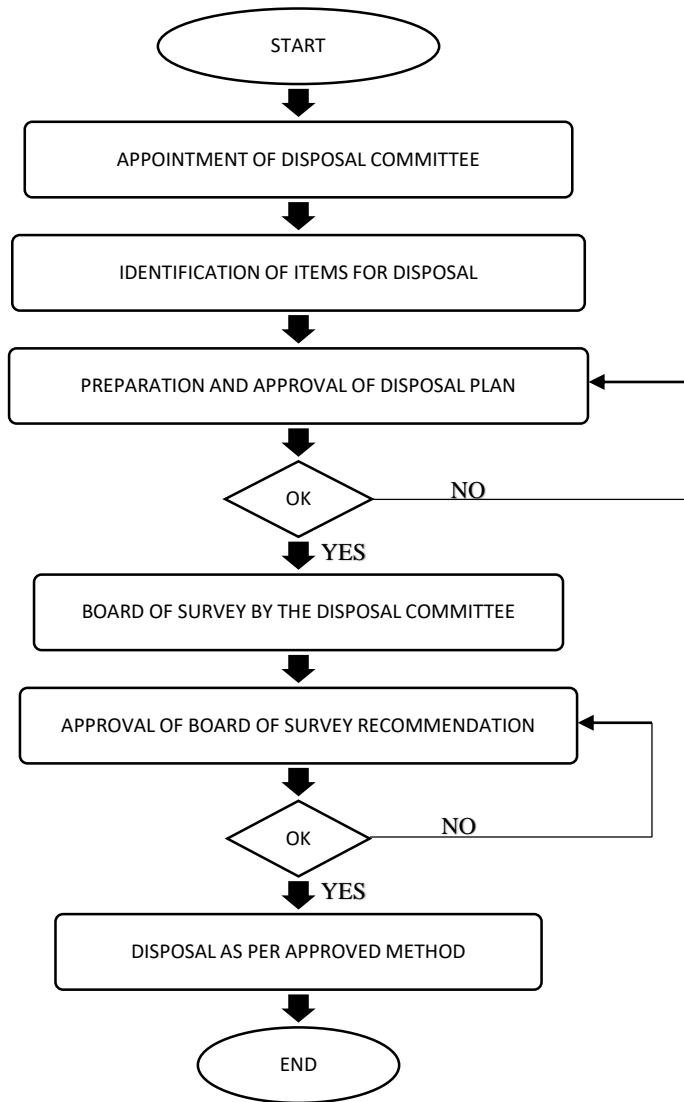
Bidders for disposal


**4.4.5. Procedure details**

No.	Process Details/Description	Resources	Responsibility	Timeline	Output	Measure of Success (KPI)
1	The CEO appoints the Disposal Committee to assess and recommend the best method of disposing of unserviceable, obsolete or surplus stores or equipment.	PPADA, 2015 PPADA, 2020	CEO/CPO	1 day	Appointed disposal committee	Disposal committee appointed



2	The Employee in-charge of unserviceable, obsolete or surplus stores or equipment identifies items to be disposed and forwards to the Head of procurement	Disposable assets	User department	2 weeks	List of items for disposal	Schedule of proposed items for disposal
3	Preparation and approval of disposal plan	List of items for disposal Stationery	User CPO CEO	2 weeks	Approved Annual disposal plan	Annual disposal plan approved
3	The Disposal Committee conduct board of survey of the items for disposal, recommends to the CEO the method of disposal of the assets .	Disposal committee  Technical expert	Disposal Committee	2 weeks	Board of survey recommendations	Board of survey report
4	Approval of the board of survey recommendations by the CEO	Board of survey report	CEO CPO Disposal committee	2 days	Acceptance or rejection of the recommendations	Approved recommendations
5	Disposal as per approved method.	Disposal documents stationery	CPO	As per PPDA 2015 depending on the proposed method	Release of disposed asset	Release letter signed



		
	Issue No	Revision No.
<b>Document Title NWSHSA/PROC/SOP/O6/ CPP</b> <b>4.5 Standard Operating Procedure For Preparation of the consolidated Annual Procurement Plan</b>		

**4.5.1 Source**

User Departments;

**4.5.2. Required inputs**

- Departmental Procurement plans
- Public Procurement and Asset Disposal Act, 2015
- Public Procurement and Asset Disposal regulations, 2020

**4.5.3. Expected Outputs**

Consolidated Annual Procurement Plan

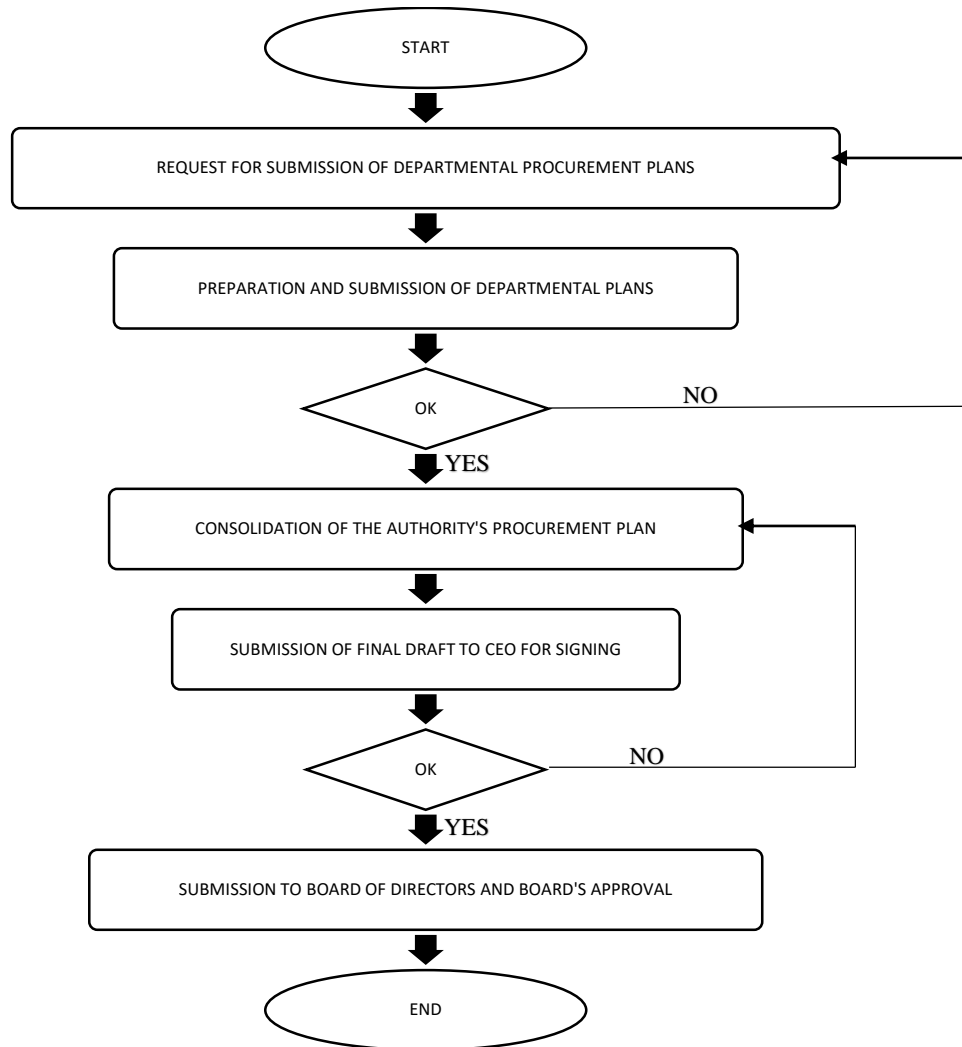
**4.5.4. Customers**

User departments

**4.5.5. Procedure details**

No.	Process Details/Description	Resources	Responsibility	Timeline	Output	Measure of Success (KPI)
1	A request is send to user Departments in writing to submit their departmental Procurement Plans to Procurement Division.	Stationery Template for Procurement plan	User Departments CPO	1 day	Memo to User Departments	Memo received by user departments
2	User Departments prepare and submit to Procurement division their Departmental procurement plans for goods, works or services required in the financial year	Departmental requirements  Departmental budgetary	User Departmental Heads	2 weeks	Departmental Procurement Plan	Signed departmental plans received at the procurement division

		allocations				
3	The CPO Consolidates the departmental plans and prepares The Authority's Annual Consolidated Procurement Plan.	Departmental procurement plans	CPO	2 weeks	Authority's Consolidated Procurement Plan	Final Authority Draft Consolidated plan
4	The Procurement Officer submits the final Consolidated Annual Procurement Plan for review and Signing by the CEO	Final draft of the Annual consolidated Procurement plan	CPO CEO	2days	Annual Consolidated Procurement plan signed by the CEO	Signing of the Consolidated plan by CEO
5	Submission to the Board of Directors and approval of the Annual Consolidated Procurement Plan by the Board.	Notice of Board meeting Agenda item for the board Board paper on the plan	Board secretariat CEO CPO	1 day	Approved Consolidated Procurement plan	Board approval /resolutions/ minutes



## **5. RECORDS/RETAINED DOCUMENTED INFORMATION**

- Procurement Plan
- Purchase requisition notes
- Tender Opening minutes
- Tender opening register
- Tender Evaluations Reports
- Head of Procurement Professional Opinion
- Contracts
- Goods Received Notes
- Issue Notes
- Delivery Notes
- LPOs/LSOs
- Goods Inspection Reports
- Inspection and acceptance certificate



## 6. RISK AND MITIGATION MEASURES

<b>RISK</b>	<b>MITIGATION</b>
Political Input	Enforce strict adherence to procurement procedures
Stok pilferage	Beef up security systems by installation of physical security guards, gate passes for any item leaving the Authority  Allow only authorized officers in stores
Overstocking	Establish stock control management system.  Order for goods on an ‘as and when required’ basis
Under stocking	Establish proper stock management systems
Lack of expertise for the appointed committees involved in the procurement process	Select a competent team as guided by the Public Procurement and Asset Disposal Act, 2015  Capacity building for staff involved in the procurement procedures
Overpricing of goods, services and works	Use of engineer’s estimate and market surveys
Suppliers Complaints on awards	Provide detailed reasons on non-successful tenders.  Debriefing communication/s meetings with Suppliers
Delays in procurement cycle	Adhere strictly to timelines provided in PPADA,2015 and PPDR, 2020
Departmental Procurement plan not aligned to allocated budgets (wish lists)	Sensitize user departments to align their plans with the approved respective allocated budgets
Lack of technical capacity of the Disposal committee	Involve technical experts in board of surveys

**Prepared by:** .....

**PROCUREMENT OFFICER**

**Signed** .....

**Date**.....

**Approved by: John Musyoka**

**CHIEF PROCUREMENT OFFICER**

**Signed** .....

**Date**.....