PROCUREMENTS TO SPECIAL GROUPS

1. Introduction

Kenya Railways (KR) being a Public Entity carries out all procurement in accordance with the Public Procurement Law and other guidelines issued by GOK from time to time.

2. Background

The National Treasury through Treasury Circular No 14/2013 dated 25th September 2013; communicated directive by H.E The President directed that 30% of all government procurement be allocated to the Youth, Women and Persons with disabilities. Following the directive the Public Procurement & Disposal (Preference and Reservations) Regulations were amended vide legal Notice No. 114 of 2013. The Regulations are in line with Article 227 of the Constitution of Kenya 2010.

3. Definition

Public Procurement and Assets and Disposal Act 2015 has defined disadvantage group as:- "persons denied by mainstream society access to resources and tools that are useful for their survival in a way that disadvantages them or individuals who have been subjected to prejudice or cultural bias because of their identities as members of groups or categories of persons without regard to their individual qualities, and includes enterprises in which a majority of the members or
shareholders are youth, women, persons with disability or categories as shall be prescribed;

Groups and procurements under the under Preference and Reservation Scheme are as outlined below;

a. candidates such as disadvantaged groups;
b. micro, small and medium enterprises;
c. works, services and goods, or any combination thereof;
d. identified regions; and
e. Such other categories as may be prescribed by the Law and Government Directive.

Candidate or interested bidders under the Procurement Reservation candidate are required to provide evidence of eligibility.

4. Procurement Categories Reserved for Special group

KR has reserved 30% procurements budget to Special group in the Financial Year 2016/2017 amounting to Kshs.310 Million.

The following are the various categories of procurement reserved to special groups in line with the law and presidential directive;

1. Supply and delivery of general office stationery
2. Supply and delivery of Computers, ICT accessories i.e. office toners
3. Supply and delivery of branded promotional materials
4. Supply and delivery of staff uniforms
5. Supply and delivery of mineral water and disposable cups
6. Supply and delivery of cutlery, crockery and kitchen equipment’s
7. Supply of soap & detergents for Railways Training Institute
8. Provision of branding and printing services i.e. T-shirts, Caps, Lessos, brochures, flyers, banners, flexes
9. Provision of indoor and outdoor displays, billboard and exterior branding services
10. Provision of cleaning services, gardening and garbage collection.
11. Provision of Air Ticketing Services
12. Provision of Taxi Services
13. Small works i.e. repairs of building.

5. Provisions of Procurements;

The Public Procurement and Assets Disposal Act has made the following provisions in relation to tenders under special Group categories, which KR shall adhere to;

a) **Reservation;** KR in its procurement and asset disposal 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.

b) **Tender securities** shall not be required by KR in procurements reserved for small and micro-enterprises or enterprises owned by women, youth, persons with disabilities and other disadvantaged groups participating in a procurement proceeding. The target group shall instead be required to fill and sign the Tender Securing Declaration Form which shall accompany all tenders.

c) **Performance Security;** For works and supplies reserved for women, youth, persons with disabilities and other disadvantaged groups, and for these categories, KR shall fix the performance securities at not more than one per cent of the contract price.

d) **Payment;** KR shall ensure that all money paid out to an enterprise owned by youth, women or persons with disability is paid into an account where the mandatory signatory is a youth, woman or a person with disability.
i. Obligations of KR

a) LPO Financing; KR shall facilitate the process of LPO financing by providing the groups Bankers with the relevant information on request in writing.

b) Registration; This is continuous; KR shall ensure all the firms submitting profiles for registration subject to the requirements are included in the prequalified suppliers list within 3 Working days.

c) Invitation to bid; KR shall invite the firms that meet the conditions and are registered to participate in Tender, invitations shall be sent to their email address.

ii. Obligations of the bidders

a) Registration of Suppliers

Interested Special group firms Registered by National Treasury are encouraged submit their profile for inclusion in KR pre-qualified suppliers list under various available procurement categories.

The profile should meet following requirements set:-

   a) Valid tax compliance/tax exemption certificate
   b) Certificate of incorporation/business registration certificate
   c) Identification documents (passport/national ID)
   d) CR 12 for limited companies or partnership deed for partnership business (where applicable).
   e) Copy of Registration with National Treasury under any of the following; Youth, Women or Persons with Disability (PWD).
   f) Any other relevant Certificate from regulatory/professional bodies for specialized or Technical procurements.

b) Bid Submission

Bidders shall respond to the invitation to bid issued by KR from time to time
c) Compliance to requirements
Bidders shall ensure they comply with all the bid conditions set out by KR.

d) Clarifications
Bidder shall contact KR for any clarifications or queries on procurement matters

Further information and clarifications may be obtained from the Procurement Department through email procure@krc.co.ke, specialgroup@krc.co.ke or visit our offices at Kenya Railways Head Quarters Block C 1st Floor.

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