

*Approved for tabling
Bantwana
30/4/14*

REPUBLIC OF KENYA



NATIONAL ASSEMBLY

ELEVENTH PARLIAMENT- SECOND SESSION

THE PUBLIC INVESTMENTS COMMITTEE

SPECIAL REPORT ON THE PROCUREMENT AND
FINANCING OF THE NATIONAL SOCIAL SECURITY
FUND TASSIA II INFRASTRUCTURE DEVELOPMENT
PROJECT

APRIL, 2014

*Paper laid by the
Chair PIC on 30/4/14
Bantwana*

*Clerk's Chambers
Parliament Buildings
Nairobi*

April, 2014



ABBREVIATIONS

COTU	-	Central Organization of Trade Unions
CCN	-	City Council of Nairobi
FKE	-	Federation of Kenya Employers
NSSF	-	National Social Security Fund

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1.0 PREFACE

Mr. Speaker Sir,

The Public Investments Committee is a Select Committee established under Standing Order No. 206 and is responsible for the examination of the working of public investments.

1.1 Mandate of the Committee

The Committee is mandated to:-

- (a) Examine the reports and accounts of the public investments;
- (b) Examine the reports, if any, of the Auditor General on the public investment;
- (c) Examine, in the context of the autonomy and efficiency of the public investments, whether the affairs of the public investments, are being managed in accordance with sound financial or business principles and prudent commercial practices.

The Committee shall however not examine:-

- (a) Matters of major Government policy as distinct from business or commercial functions of the public investments;
- (b) Matters of day-to-day administration; and,
- (c) Matters for the consideration of which machinery is established by any special statute under which a particular public investment is established.

The procedure of a Select Committee and other related matters thereto is covered under Standing Order No. 173 – 203. The Committee has power, under the provisions of the Constitution, National Assembly (Powers and Privileges) Act

(Cap. 6), the State Corporations Act (Cap. 446) and the Public Audit Act (Cap. 412), to summon witnesses, examine them on oath and receive evidence.

1.2 Composition of the Committee

The Committee comprises of the following Members:-

- (1) Hon. Adan Keynan, CBS, MP - Chairperson
- (2) Hon. Kimani Ichung'wah, MP - Vice Chairperson
- (3) Hon. Sammy Mwaita, MP
- (4) Hon. Cornelly Serem, MP
- (5) Hon. Bare Shill, MP
- (6) Hon. Korei Ole Lemein, MP
- (7) Hon. Adan M. Noor, MBS, MP
- (8) Hon. Mithika Linturi, MP
- (9) Hon. Beatrice Nyaga, MP
- (10) Hon. John M. Nyaga, MP
- (11) Hon. Njogu Barua, MP
- (12) Hon. Irungu Kang'ata, MP
- (13) Hon. Onesmus Njuki, MP
- (14) Hon. Eng. John Kiragu, M.P
- (15) Hon. Johana Ngeno, MP
- (16) Hon. Mwadeghu Thomas, MP
- (17) Hon. Abdullswamad Sheriff, MP
- (18) Hon. Paul Otuoma, EGH, MP
- (19) Hon. John Aluoch Olago, MP
- (20) Hon. Francis Nyenze Mwanzia, MP
- (21) Hon. Dr. Oburu Oginga, MP
- (22) Hon. Major(Rtd) John K. Waluke, MP

- (23) Hon. Ogutu John Omondi, MP
- (24) Hon. Mary Keraa Sally, MP
- (25) Hon. Wafula Wamunyinyi, MP
- (26) Hon. Bernard Munyoki Kitungi, MP
- (27) Hon. Chrisanthus Wamalwa, MP

1.3 Committee Proceedings

1.3.1 The Committee held four sittings in which it closely examined and heard evidence from witnesses. The Minutes of the Committee are hereto annexed and copies of the Hansard Report may be obtained at the National Assembly Library. In its inquiry into the procurement and financing of NSSF Tassia II Infrastructure Development Project, the Committee heard and received both oral and written evidence from the acting Managing Trustee, National Social Security Fund, Secretary General of the Central Organization of Trade Unions (COTU), the Chief Executive Officer of the Federation of Kenya Employers (FKE), and the Cabinet Secretary for Labor, Social Security and Services.

1.3.2 The records of evidence adduced, documents and notes received by the Committee form the basis of the Committee's observations and recommendations as outlined in the Report and can be obtained in the HANSARD reports of the Committee available in the National Assembly Library.

1.3.3 These observations and recommendations, if taken into account and implemented, will enhance accountability, effectiveness, transparency, efficiency, prudent investment and financial management and profitability in State Corporations and the public investments sector as a whole and guide in future procurement of goods and services by State Corporations.

1.4 Committee's General Observations

Below is a summary of the Committee's observations on the procurement and financing of the National Social Security Fund (NSSF) Tassia II infrastructure development project:-

1.4.1 NSSF purchased the land in Tassia between 1992 and 1995 at a total cost of Kshs. 2.2 Billion from Tassia Coffee Estate Ltd and Nokin Investment Ltd with the objective of developing them into residential /commercial properties as part of NSSF investment portfolio. However in September 2001, illegal squatters and land grabbers invaded and subdivided Blocks 97 Tassia II, 21198 and 21190 – Tassia II into 5,500 plots claiming to have been sold the same by various land buying companies.

1.4.2 NSSF took the matter to Court in 2004 and a ruling made in favour of the Fund to evict the grabbers and demolish structures that had been built but after the intervention of the Government through the then Minister for Labour, the Office of the President and the local leaders, the Board of Trustees agreed in 2005 to sell the 5,500 plots to the squatters/grabbers and the plots were either sold through the NSSF Tenant Purchase Scheme or on cash terms. All plots were sold as un-serviced plots subject to approval of the Physical Development Plan by the then City Council of Nairobi.

1.4.3 The Board of Trustees of NSSF had realized that given the level of unplanned sub-division, encroachment and development on the land, executing the Court order on eviction and demolition would have presented a great logistical and security challenge.

1.4.4 Following consultations between NSSF and the Office of the President and Ministry of Labour and local leaders, the Board of Trustees agreed in 2005

to sell the **5,500** plots to the squatters/grabbers. **792** plots were sold through the NSSF Tenant Purchase Scheme and the balance of **4,708** plots on cash terms. All were sold as un-serviced plots subject to approval of the Physical Development Plan by the then City Council of Nairobi.

- 1.4.5 Due to the unplanned manner in which the land had been sub-divided, it had to be surveyed and planned. NSSF engaged the services of Geoinfo Surveys Ltd which submitted Physical Development Plans to the City Council of Nairobi (CCN) and obtained a conditional approval on behalf of the Fund in May 2008.
- 1.4.6 NSSF engaged the services of another Land Surveyor, M/s Survplans Ltd in September 2010 following the demise of the director of Geoinfo Surveys and the re-surveying exercise commenced afresh in January 2011 so as to meet the CCN approval preconditions and complete the re-surveying and re-planning exercise.
- 1.4.7 M/s Multiscope Consulting Engineers Limited provided the preliminary cost estimate of the project at Kshs. 4.5 Billion, including individual plot access roads, pipe culvert, headwalls and culvert crossings to all plots. The cost of individual plot access roads was estimated at Kshs.1.2 Billion and advised NSSF that CCN will not approve the preliminary designs without provision of access to each individual plot and therefore the project cost estimate remained Kshs. 4.5 Billion.
- 1.4.8 Open tenders were advertised in The Standard Newspaper on 16th October, 2013 and the Daily Nation Newspaper of 21st October, 2013 inviting interested contractors who are qualified and registered with National Construction Authority to submit their bids on or before 19th November, 2013. As per tender requirement, the lowest evaluated bidder

was to be awarded the tender. The Technical Evaluation Committee therefore recommended award of the tender to China Jiangxi International (K) Ltd at their tender sum of **Kshs.4, 629,168,275.70** and contract period of two years.

1.4.9 The contract price for the infrastructure development is **Kshs.4, 629,168,275.70** but the Fund approved the total cost of the project as Kshs. 5.053 Billion whose tabulation do not add up.

(i) Construction cost as per award - Kshs. 4.629 Billion

(ii) Consultancy fees and Other Statutory payment -Kshs. 0.422 Billion

Total cost - Kshs. 5.053 Billion

There is a difference of Kshs. 2,000,000 which is not tabulated.

1.4.10 The Fund Tender Committee subsequently met on the 19th of December, 2013 and approved award of the tender to China Jiangxi International (K) Ltd as per the recommendation of the Evaluation Committee.

1.4.11 The development of the infrastructural services was imposed on the NSSF by virtue of its legal entitlement to the land by CCN as a pre-condition of the approval on the regularization of the physical development plan.

1.4.12 The Tassia infrastructure development project shall be solely financed by the contributions from plot owners and that no funds from the NSSF are to be utilized in the project.

1.4.13 The approval of the project by Federation of Kenya Employers' Chief Executive Officer, Ms. Jacqueline Mugo was made on condition that the Board of Trustees does not utilize any additional money from the Fund.

1.4.14 The beneficiaries of the project are the 5,500 plot owners of Tassia who will be able to get their title deeds processed after regularization of their

plots. The value of their properties will also increase as a result of providing the infrastructure services.

- 1.4.15 Most of the large projects by NSSF are undertaken by China Jiangxi International (Kenya) Ltd raising concerns over probable collusion in award of tenders contrary to section 42 of the Public Procurement and Disposal Act, 2005.
- 1.4.16 The Cabinet Secretary for Labour, Social Security and Services purportedly cancelled the contract while in real sense the Cabinet Secretary does not have the powers to cancel a procurement process initiated by a procuring entity. Matters relating to procurement are within the ambits of the Cabinet Secretary, Treasury within the meaning of section 2 of Public Procurement and Disposal Act, 2005 whose mandate therein is limited to prescribing preferences or reservations in public procurement and disposal in consideration of economic and social development factors as stipulated in section 39(2) , (8) of the said Act and not cancellation of tenders.
- 1.4.17 There is a high turnover of Managing Trustees at NSSF attributed to interference from the Ministry of Labour, Social Security and Services.
- 1.4.18 The approval of the Tassia infrastructure development project was done through closed e-mail circulation.
- 1.4.19 The extra cost resulting from the infrastructure development was not in the initial cost of the plots.

1.5 Committee's Recommendations

The Committee recommends that:-

1.5.1 The Tassia Infrastructure Development Project is important since the plot owners will get their title documents , the over 20,000 persons living in Tassia area will benefit from access to an efficient road network, water supply, street lighting, individual plot access and healthy living environment; and the project will also provide an efficient comprehensive infrastructure network system in the area. The project should continue on condition that:-

- (i) The project does not utilize any resources/funds from the Fund since there was no budgetary provision.
- (ii) Should it be necessary for NSSF to utilize its resources in the project, then it must develop the Tassia Infrastructure Development Project on a commercial basis and ensure that any money from the Fund utilized is fully recovered and accounted for.
- (iii) NSSF collects all money owed by the plot owners arising from the sale of the plots; and
- (iv) NSSF collects funds from the plot owners to cater for the infrastructure development at Tassia II.

1.5.2 EACC investigates the procurement of major projects undertaken by NSSF and the circumstances under which China Jiangxi International (Kenya) Ltd has been awarded most major projects at NSSF.

1.5.3 The Ministry of Labour, Social Security and Services should not interfere with the procurement processes by NSSF. The Ministry should however offer guidance to the Fund.

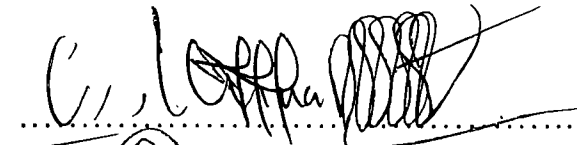
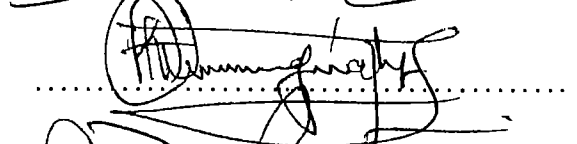
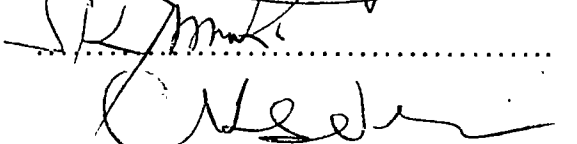
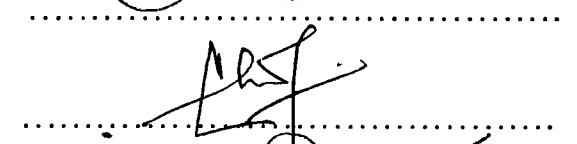
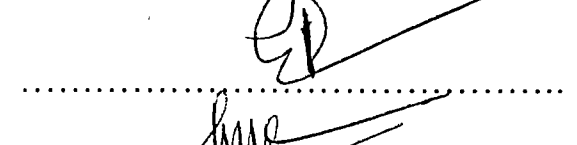
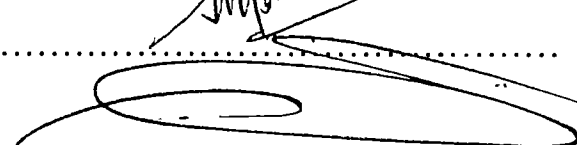
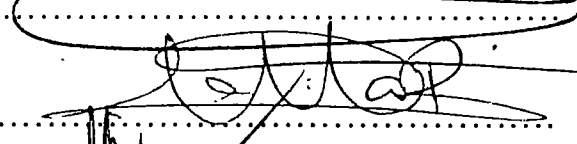
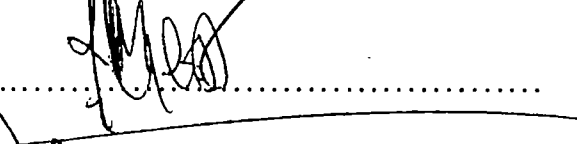
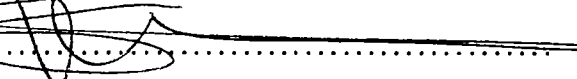
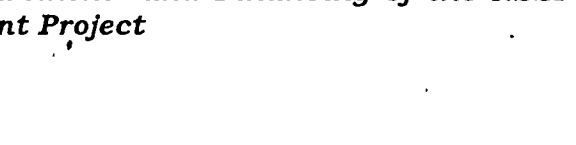

1.5.4 The NSSF Act, Cap 222 be amended in section 49 to allow for approval of any investment of the Fund by the Board of Trustees via closed e-mail circulation or any other electronic means.

1.6 Acknowledgement

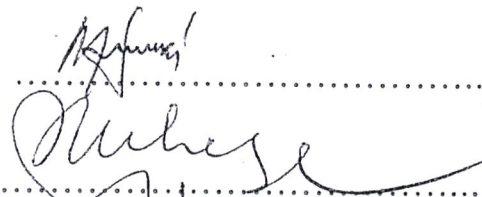
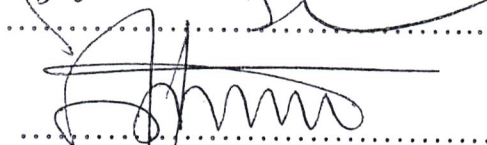
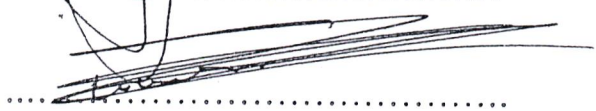
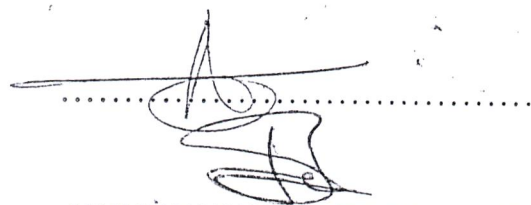
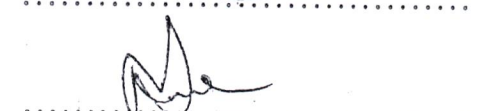
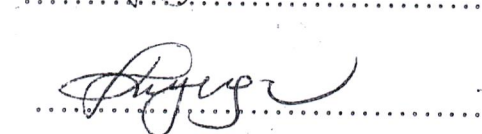
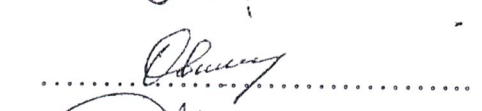
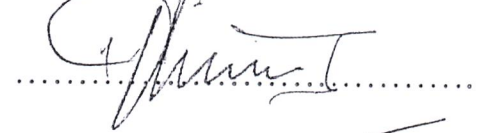
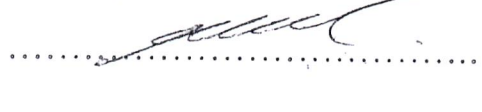
The Committee wishes to record its appreciation to the Office of the Speaker and the Clerk of the National Assembly for facilitation. The Committee is grateful to all the witnesses who appeared and adduced evidence before it. Further, the Committee is indebted to the staff of the National Assembly, for the services they rendered to the Committee. It is their commitment and dedication to duty that made the work of the Committee and production of this Report possible.

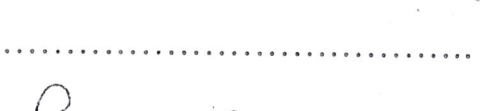
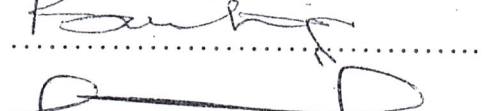
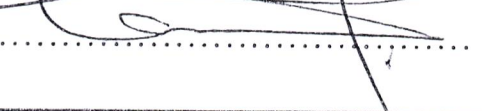
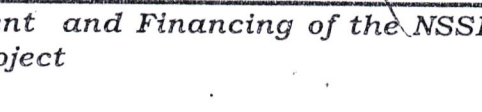
ADOPTION OF THE SPECIAL REPORT OF THE PUBLIC INVESTMENTS COMMITTEE ON THE PROCUREMENT AND FINANCING OF THE NSSF TASSIA II INFRASTRUCTURE DEVELOPMENT PROJECT

We the Members of the Public Investments Committee have pursuant to Standing Order 199 adopted this report and affix our signatures to affirm our approval and confirm its accuracy validity, and authenticity:-

1. Hon. Adan Keynan, CBS, MP 
2. Hon. Kimani Ichung'wah, MP 
3. Hon. Sammy Mwaita, MP 
4. Hon. Cornelly Serem, MP 
5. Hon. Bare Shill, MP 
6. Hon. Korei Ole Lemein, MP 
7. Hon. Adan M. Noor, MP 
8. Hon. Mithika Linturi, MP 
9. Hon. Beatrice Nyaga, MP 
10. Hon. John M. Nyaga, MP 
11. Hon. Njogu Barua, MP 

12. Hon. Irungu Kang'ata, MP
13. Hon. Onesmus Njuki, MP
14. Hon. Eng. John Kiragu, M.P
15. Hon. Johana Ngeno, MP
16. Hon. Mwadeghu Thomas, MP
17. Hon. Abdullswamad Sheriff, MP
18. Hon. Paul Otuoma, MP
19. Hon. John Aluoch Olago, MP
20. Hon. Francis Nyenze Mwanzia, MP
21. Hon. Dr. Oburu Oginga, MP
22. Hon. Major (Rtd) John K. Waluke, MP
23. Hon. Ogutu John Omondi, MP
24. Hon. Mary Keraa Sally, MP
25. Hon. Wafula Wamunyinyi, MP
26. Hon. Bernard Munyoki Kitungi, MP
27. Hon. Chrisanthus Wamalwa, MP


Mr. Speaker,

On behalf of the Members of the Public Investments Committee, I beg to table the special Report of the Committee on the procurement and financing of the Tassia II infrastructure development project pursuant to Standing Order 199 (6) and commend it to the House for adoption.

Sign: 

HON. ADAN. W. KEYNAN, CBS, MP
CHAIRPERSON, PUBLIC INVESTMENTS COMMITTEE

Date: 23/4/2014

2.0 BACKGROUND OF NATIONAL SOCIAL SECURITY FUND, TASSIA II INFRASTRUCTURE DEVELOPMENT PROJECT

- 2.1** The National Social Security Fund (NSSF) was established in 1965 by an Act of Parliament (Cap 258 of the Laws of Kenya) in order to administer a provident fund scheme for all workers in Kenya. The Fund initially operated as a Department of the Ministry of Labour until 1987 when the NSSF Act was amended transforming the Fund into a State Corporation under the Management of a Board of Trustees.
- 2.2** The Fund was transformed in 1987 into an autonomous State Corporation and 1988; the Fund has been operating under a Board of Trustees, which is constituted by representatives of 3 key stakeholders: the Government, Workers, and Employers.
- 2.3** The National Social Security Fund (NSSF) holds titles for Block 97, Block 21190 and Block 21189 respectively in the expansive Tassia Estate, Embakasi region along Outering Road, Nairobi, all measuring 350 acres.
- 2.4** The land was purchased between 1992 and 1995 at a total cost of Kshs. 2.2 Billion from Tassia Coffee Estate Ltd and Nokin Investment Ltd with the objective of developing them into residential /commercial properties as part of NSSF investment portfolio.
- 2.5** In September 2001, illegal squatters and land grabbers invaded and subdivided Blocks 97 Tassia II, 21198 and 21190 – Tassia II into 5,500 plots claiming to have been sold the same by various land buying companies.

- 2.6 NSSF took the matter to Court in 2004 and a ruling made in favour of the Fund to evict the grabbers and demolish structures that had been built but after consultations between NSSF and the Government through the then Minister for Labour, Office of the President and the local leaders, the Board of Trustees agreed in 2005 to sell the 5,500 plots to the squatters/grabbers.
- 2.7 All plots were sold as un-serviced plots subject to approval of the Physical Development Plan by the then City Council of Nairobi.

3.0 EVIDENCE AND SUBMISSION BY WITNESSES

3.1 EVIDENCE BY ACTING MANAGING TRUSTEE, NATIONAL SOCIAL SECURITY FUND (NSSF)

Mr. Richard Langat, the Acting Managing Trustee, NSSF, appeared before the Committee to adduce evidence on the procurement and financing of the Tassia II infrastructure development project. He informed the Committee that:-

- 3.1.1 The National Social Security Fund (NSSF) holds titles for Block 97, Block 21190 and Block 21189 respectively in the expansive Tassia Estate, Embakasi region along Outering Road, Nairobi, all measuring 350 acres. The land was purchased between 1992 and 1995 at a total cost of Kshs. 2.2 Billion from Tassia Coffee Estate Ltd and Nokin Investment Ltd with the objective of developing them into residential /commercial properties as part of NSSF investment portfolio.

- 3.1.2 In September 2001, illegal squatters and land grabbers invaded and subdivided Blocks 97 Tassia II, 21198 and 21190 – Tassia II into 5,500 plots claiming to have been sold the same by various land buying companies.
- 3.1.3 NSSF took the matter to Court in 2004 and a ruling made in favour of the Fund to evict the grabbers and demolish structures that had been built. After consultations between NSSF and the Government through the then Minister for Labour, Office of the President and the local leaders, the Board of Trustees agreed in 2005 to sell the 5,500 plots to the squatters/grabbers (*Annex 1*).
- 3.1.4 Out of the 5,500 plots 792 were sold through the NSSF Tenant Purchase Scheme and the balance of 4,708 on cash terms. All plots were sold as un-serviced plots subject to approval of the Physical Development Plan by the then City Council of Nairobi.
- 3.1.5 M/s Multiscope was procured in 2010 to carry out a comprehensive design works, prepare cost estimates, obtain necessary regulatory approvals of the designs and oversee project implementation (*Annex 2*).
- 3.1.6 The plot owners could not be issued with titles unless conditions imposed by the City Council of Nairobi among them infrastructure development were met. This informed the decision to initiate infrastructure development project whose cost was to be met by the plot owners.
- 3.1.7 The NSSF advertised open tenders in the Standard Newspaper on 16th October, 2013 and the Daily Nation of 21st October, 2013 inviting interested contractors (*Annex 3*). The bids were evaluated and the technical evaluation Committee recommended award of the tender to China Jiangxi

International (K) Ltd at their corrected tender sum of Kshs. 4,629,168,275.70 and contract period of two years (*Annex 4*).

- 3.1.8 Approval for the project was granted by the Board of Trustees through e-mail circulation. This method has been used in the past in approving similar and other projects.
- 3.1.9 There was no budgetary provision for the project since NSSF expected to recover the cost from the plot owners. 80% of the plot owners are willing to pay for the infrastructure development.
- 3.1.10 NSSF is aggressively pursuing recovery of the outstanding balance of Kshs. 0.7 Billion from plot owners which is expected to be realized by July 2014. Any unpaid for plots by that date will be repossessed and sold to other willing buyers at market price.
- 3.1.11 The Nairobi City County Government gave a conditional approval to NSSF to ensure that infrastructure was properly put in place before they were given approvals to run the project and issue individual titles (*Annex 5*).

Committee's Observations

3.1.12 The Committee made the following observations:-

- (i) Following consultations between NSSF, Government and local leaders, the Board of Trustees agreed in 2005 to sell the 5,500 plots to the squatters/persons who had irregularly acquired the plots. 792 plots were sold through the NSSF Tenant Purchase Scheme and the balance of 4,708 on cash terms.

- (ii) The Nairobi County Government gave a conditional approval to NSSF to ensure that infrastructure was properly put in place before they were given approvals to run the project and issue individual titles.
- (iii) There was no budgetary provision for the project since the cost would be recovered from the plot owners.
- (iv) Most of the large projects by NSSF are undertaken by China Jiangxi International (Kenya) Ltd

3.2 EVIDENCE BY SECRETARY GENERAL, CENTRAL ORGANISATION OF TRADE UNIONS

The Secretary General, Central Organization of Trade Unions, Mr. Francis Atwoli appeared before the Committee to adduce evidence on the procurement and financing of the Tassia II infrastructure development project. He informed the Committee that:-

3.2.1 The approval of the Tassia II Infrastructure Development Project is illegal fraudulent and in breach of sections 30(3) (4), and 41 of the Public Procurement and Disposal Act, 2005.

3.2.2 The NSSF Tassia II Infrastructure development project contract was approved hurriedly through e-mail. He learnt through Federation of Kenya Employers Chief Executive Officer, Ms. Jacqueline Mugo that an e-mail had been circulated seeking approval for the Tassia infrastructure development project.

3.2.3 The Labour Cabinet Secretary Hon. Kazungu Kambi has taken sides with National Social Security Fund (NSSF) Management over the multi-billion shilling Tassia II infrastructure development project.

- 3.2.4 The Tassia NSSF plots were bought in 1994 and 1995 at a cost of Kshs. 2.2 billion. In September 2001 squatters invaded and occupied the plots.
- 3.2.5 NSSF Board decided to formalize the 5,500 squatters as plot owners and asked them to pay a total of Kshs. 2.5 Billion. Since then they have only paid Kshs. 1 billion as at May, 2011. The squatters were expected to pay Kshs. 2.5 Billion in a maximum of 2 years bearing in mind the duration they have occupied the plots.
- 3.2.6 In 2011, the NSSF Board agreed to work on a budget and provide the plots with infrastructure including access roads within the plots only if the plot owners can pay for the same. The total cost of the infrastructure development as per estimates by the engineers was Kshs. 3.3 Billion. The NSSF budgeted for this amount subject to every plot owner paying Kshs. 650,000.
- 3.2.7 The Chairman of NSSF Board, Mr. Adan Mohammed and the acting Managing Trustee Mr. Richard Langat purport to have circulated a memo for approval by the Board of Kshs. 5.053 Billion to be footed and paid for by the workers Fund (NSSF) as opposed to the earlier arrangement where the plot owners were to pay first for infrastructure development in their plots.
- 3.2.8 The Acting Managing Trustee, Mr. Richard Langat proposes in his memo that the plot owners pay Kshs. 920,000 as opposed to the earlier proposal by the full Board that each plot owner pays Kshs. 650,000 for the development.

3.2.9 Section 10 (3) of the National Social Security Fund Act should be amended to expand the responsibilities of the Board to include the mandate of overseeing and auditing the decisions of the Fund's Managing Trustee.

Committee's Observations

3.2.10 The Committee made the following observations:-

- (i) The Tassia NSSF plots were bought in 1994 and 1995 at a cost of Kshs. 2.2 billion. In September 2001 squatters invaded and occupied the plots. NSSF Board decided to formalize the 5,500 squatters as plot owners and asked them to pay a total of Kshs. 2.5 billion.
- (ii) There was no budgetary allocation for the development of the NSSF Tassia II Infrastructure development project since the project was self financing.
- (iii) NSSF Board agreed in 2011 to work on a budget and provide the plots with infrastructure including access roads within the plots only if the plot owners can pay for the same.
- (iv) The NSSF Tassia II Infrastructure development project contract was approved hurriedly through e-mail.

3.3 EVIDENCE BY THE CHIEF EXECUTIVE OFFICER, FEDERATION OF KENYA EMPLOYERS

The Chief Executive Officer, Federation of Kenya Employers (FKE), Ms. Jacqueline Mugo appeared before the Committee to adduce evidence on the

procurement and financing of the Tassia II infrastructure development project. She informed the Committee that:-

- 3.3.1 She gave a conditional approval to the NSSF Tassia Infrastructure development based on the indication by the Acting Managing Trustee that the project would be self-financing.
- 3.3.2 She urged the Managing Trustee and the Chairman to clear the air on the Tassia II project as the e-mail circulated by the Managing Trustee could not have constituted a Board approval of the project since no presentation had been made to the Board on securing the financing of the project by the tenants.
- 3.3.3 A valid approval of the project could only be given at a formal, duly constituted Board meeting where a resolution is passed. To date, there has been no meeting held or resolution made on the project.
- 3.3.4 FKE put a paid advert (*Annex 6*) to clear its position on this matter and urged the Fund to take the desired action. All these efforts were resisted and or ignored by the Fund management.
- 3.3.5 The Tassia II infrastructure development project was procured by the management and FKE had no first hand information on the matter, except the statement issued by the Ag. Managing Trustee in the paid advert which appeared in the dailies. This advert clearly indicates that the process started long before the purported e-mail “approval” on 18th December, 2013.
- 3.3.6 The tender sum is indicated as Kshs. 4.629 Billion but the total cost sent to the NSSF Board via e-mail circulation was Kshs. 5.053 Billion.

- 3.3.7 It is unclear what NSSF stands to gain from this infrastructure investment since the project has no value proposition for the contributors to NSSF. The Conditional approval said to have been granted by the Nairobi City County Government has not been disclosed to the Board.
- 3.3.8 The Property development and investments department of the Fund claim that the project is fully self-financing although the tenants have not been advised on the cost and neither has the Fund collected any money from the tenants for the project.
- 3.3.9 She learnt from the press that the Cabinet Secretary of Labour, Social Security and Services had terminated the contract for the Tassia II infrastructure development project. The Cabinet Secretary has no powers to terminate the contract.
- 3.3.10 The tender process for the project has not been explained to the Board and no valid approval has been granted by the Board.

Committee's Observations

3.3.11 The Committee made the following observations:-

- (i) There was no budgetary allocation from NSSF for the development of the NSSF Tassia II Infrastructure development project since the project was self-financing.
- (ii) The approval of the project by Federation of Kenya Employers Chief Executive Officer, who is a member of the NSSF Board of Trustees, was subject to the Fund not incurring any additional costs.
- (iii) Section 49 of the Act empowers the Board to invest Fund but does not expressly provide for an approval on any investment being made

electronically without a physical signature /laying on hands thereon. It may be necessary that the said section be amended to insert a subsection that an approval of any investment of the fund may be by e mail or any other electronic means.

3.4 EVIDENCE BY THE CABINET SECRETARY FOR LABOUR, SOCIAL SECURITY AND SERVICES

The Cabinet Secretary for Labour, Social Security and Services, Hon. Kazungu Kambi, appeared before the Committee to adduce evidence on the procurement and financing of the Tassia II infrastructure development project. He informed the Committee that:-

3.4.2 The National Social Security Fund advertised open tenders for the Tassia II infrastructure development project in October, 2013. Tenders were opened on 22nd November, 2013 and after evaluation, the tender was awarded to M/s China Jianhxi International (K) Ltd at a contract price of Kshs. 4,629,168,275.70 and contract period of 22.4 months (*Annex 4*).

3.4.3 The actual cost of the project is estimated at Kshs.5.053 Billion broken down as follows;

- | | |
|---|-------------------------------------|
| (i) Construction cost as per award | - Kshs. 4.629 Billion |
| (ii) Consultancy fees and Other Statutory payment | - Kshs. 0.422 Billion |
| Total cost | - <u>Kshs. 5.053 Billion</u> |

3.4.4 The beneficiaries of the project are the 5,500 plot owners of Tassia who will be able to get their title deeds processed after regularization of their plots. The value of their properties will also increase as a result of providing the infrastructure services.

- 3.4.5 The infrastructural development plans have been approved by Nairobi City County Government ready for implementation (*Annex 7*).
- 3.4.6 The NSSF Board of Trustees has also given all the necessary approvals both for the project and its cost estimates.
- 3.4.7 To help establish individual plot beacons, the Fund requested all plot owners to contribute Kshs. 12,000 towards survey and re-planning services amounting to Kshs. 66 Million.
- 3.4.8 After the Nairobi City Council gave conditional approval of the regularization, the plot owners were advised by NSSF individually and through media advertisements that they will be called upon to pay for regularization requirements including development of the infrastructure services (*Annex 8*).
- 3.4.9 The Fund has established the actual contribution for each individual plot owner to be Kshs. 920,000.00 and will advise the plot owners and commence collection of individual contributions.
- 3.4.10 The development of the infrastructure services was imposed on the Fund, as a pre-condition before approval of the regularization plan by the Nairobi City County Government. As a result NSSF engaged M/s Multiscope Consulting Engineers for design and supervision of the project. Due diligence was undertaken to ensure the works are carried out at the lowest cost possible. The Fund has also come up with a recovery strategy on how the monies will be collected from each individual plot owner.

Committee's Observations

3.4.11 The Committee observed that:-

- (i) There was no budgetary allocation for the development of the NSSF Tassia II Infrastructure development since the project is self-financing through contributions from the plot owners.
- (ii) NSSF advertised for the infrastructure development project in the print media, evaluated the bids and awarded the lowest bidder M/s China Jianhxi International (K) Ltd the tender at a price of Kshs. 4,629,168,275.70.
- (iii) The breakdown of the figures presented as the actual cost for the infrastructure development project of Kshs.5.053 Billion do not add up;
 - (a) Construction cost as per award - Kshs. 4.629 Billion
 - (b) Consultancy fees and Other Statutory payment -Kshs. 0.422 Billion
 - Total cost - Kshs. 5.053 Billion**

There is a difference of Kshs. 2,000,000 which is not tabulated.

- (c) The Fund has sought necessary approvals from the County Government of Nairobi for the implementation of the project.
- (d) The development of the infrastructure services was imposed on the Fund, as a pre-condition before approval of the regularization plan by the Nairobi City County Government.

3.5 EVIDENCE BY THE CHAIRMAN, BOARD OF TRUSTEES, NATIONAL SOCIAL SECURITY FUND

Mr. Adan Mohamed, Chairman, NSSF Board of Trustees in his written submission dated 11th April, 2014 informed the Committee that:-

3.5.1 Between June, 2005 and December, 2013 the Board of Trustees National Social Security Fund made the following approvals with regard to Tassia II:-

- (i) In a special meeting of the Board of Trustees held on 28th June, 2005 the Board Approved the sale of plots measuring 33 x 66 feet at a price of Kshs. 315, 000 per plot on cash basis within a contractual; period of 6 months (*Annex 9*)
- (ii) The Finance, Tender and Oversight Committee of the Board of Trustees sitting on 4th May, 2007 approved the sale of Tassia II and III plots through the tenant purchase scheme (*Annex 10*) and in an Audit and Risk Committee of the Board held on 7th December, 2009 it was decided that the tenant purchase scheme agreements be reviewed and payments for properties be made in full.
- (iii) In its 154th sitting held on 5th August, 2011 the Board approved the managements recommended project cost of Kshs. 3.3 billion as preliminary cost estimates of infrastructure development excluding Kshs. 1.2 billion meant for civil works to individual plots (*Annex 11*).
- (iv) A Board of Trustees approval was sought through closed e-mail circulation (*Annex 12*) and 5 out of the 6 then current members of the Board of Trustees approved the revised cost estimate of Kshs. 5.053

billion being revised cost estimate of infrastructure development and Kshs. 920, 000 (pro-rata to size of plot) per plot be advised to plot owners as their contribution towards the cost of development, statutory payments and related professional services.

3.5.2 There was no budgetary provision for the project since the project is self-financing and the infrastructure development cost of Kshs. 5.0523 billion will be recovered from the plot owners through individual contributions of Kshs. 920, 000 per plot on a pro-rata basis to the size of their plots. Letter advising the beneficiaries to commence payments have already been released.

3.5.3 The project was procured by the management in full compliance of the Public Procurement and Disposal Act, 2005 and the total cost of the project will be Kshs. 5.053 billion as per the circulated Board paper (*Annex 13*).

3.5.4 The beneficiaries of the project will be:-

- (a) The 5,500 plot owners who will get titles;
- (b) The estimated 20,000 persons living in Tassia who will benefit from access to an efficient road network, water supply, street lighting, individual plot access and healthy living environment; and
- (c) The National Economy through provision of an efficient and comprehensive infrastructure network system in Tassia.

3.5.5 He is not aware of any suspension of the project.

Committee's Observations

3.5.6 The Committee observed that:-

- (i) The Board of Trustees National Social Security Fund approved the Tassia II project in various meetings and 5 out of the 6 then current members of the Board of Trustees approved the revised cost estimate of Kshs. 5.053 billion for the Tassia infrastructure development project through closed e-mail circulation.
- (ii) There was no budgetary provision for the project since the project is self-financing through the contributions from the 5,500 plot owners in the Tassia II project.
- (iii) The development of the project will benefit the 5,500 plot owners who will get titles; persons living in Tassia who will have access to an efficient road network, water supply, street lighting, individual plot access and healthy living environment; and the National Economy through provision of an efficient and comprehensive infrastructure network system in Tassia.

3.6 VERIFICATION BY THE AUDITOR GENERAL

Following a meeting of the Committee with the then acting Managing Trustee, NSSF on 30 June 2014 regarding Tassia II infrastructural development project, the Committee requested the office of the Auditor General to undertake a verification of the information submitted by NSSF to establish whether or not the contents of the report was as presented. The verification exercise was carried out and it established that:-

3.6.1 The Tassia II development was conceptualized in June 2011 as a result of a letter from the Nairobi City Council dated 6th May 2008 which required the

NSSF to regularize the subdivision of Block No. 97/21189 and 21190 off Outering Road - Tassia 11 & Embakasi 111. The issue was discussed by the Full Board during the 154th meeting held on 5 August 2011 (minute No.438/BOT/169/2011)

3.6.2 The Board of Trustee held the 154th meeting on 5th August 2011 in NSSF Boardroom 3rd floor in Nairobi where eight Board of Trustee members were present. The Trustees approved and ratified the decisions of the 20th Social Security Investment & Strategy Committee Meetings held on 28th June 2011.

3.6.3 Among the issues approved and ratified by the main board was Min 241/BSISC/160/2011 on Regularization of Tassia where management requested for adoption of Kshs.3.304 billion as the Preliminary cost estimates of infrastructure and payment Kshs.650,000 by each plot owner towards the Infrastructure as well.

3.6.4 Most of the Tenant Purchase Agreement for Tassia II executed prior to year 2009 did not contain the infrastructure development as a condition for approval of the survey plan. The infrastructure development conditions were given to the Fund by the then Nairobi City Council (now County Government) during the approval of Tassia II Regularization Physical Plan in December 2008. However, the plots were sold as unserviced portion of land as per Section 6 of the Tenant Purchase Agreement. In addition, Section 9 (f) of the same agreement states that the Fund had got into an agreement with the tenant purchasers “ To pay all charges taxes and other assessments whatever raised or levied on the property under any Act, By

law or other regulation whether enacted by the Central Government or any Local Authority”. This condition is further clarified under Section 9 (g) and (i). However, the exact amount for this was never specified in the agreement.

3.6.5 Information availed revealed that Tassia II and III receipts were as follows as at 31/12/13

Old System	Kshs.1,519,485,267.40
SAP	<u>Kshs. 460,947,386.40</u>
Total	<u>Kshs. 1,980,432,653.80</u>

The expected amount from the plot sale is Ksh 2.5 Billion implying that a balance of over Ksh500 Million is still outstanding.

3.6.6 The advertisement was done on 21 October 2013 and 16 October 2013 in the Daily Nation and the Standard newspaper respectively. The tenders were opened on 22nd November 2013. The Tender committee acting on recommendation of the evaluation **committee report** discussed the issue of proposed **civil engineering construction** works at NSSF Tassia plot NB^I vide minutes No. **FTC/5/17/12/2013/14** of 18/12/13.

3.6.7 The tender committee reviewed, **deliberated and deferred its decision on** the report on account of insufficient Funds **and lack of board of Trustee** approval for the shortfall pursuant to Public Procurement and Disposal **Act 2005 Section 26 (6)** and Public Procurement and Disposal Regulation 2006 Section 10(2) (d) as amended through legal notice No 106 of 18th June 2013. The deferral was done awaiting the approval for addition funding

which the Board trustee on 18 December 2013 on an E-mail circulation forwarded to board of Trustee. Five Board of trustee approved the decision though an e-mail as per.

- 3.6.8 The tender committee subsequently sat on 19th December 2013 and acting on Board approval of Kshs.5,053 Billions to cover the estimated project cost in addition to tabling of documentation on how the funds will recover the cost, awarded the tender to M/s China Jiangxi International(k) ltd at an estimated cost of Kshs.4,620,168,275 .70 for a period of 22.4 months.
- 3.6.9 Information and copies of E-mails availed revealed that five out of six members although one by Ms. Jacqueline Mugo had a rider to it that the approval will not expose the Fund to additional costs. In other instances the management has approved other decisions using e-mails.
- 3.6.10 It was confirmed that no allowances were paid when such approvals were done.
- 3.6.11 The plot owners had not been communicated to regarding the Kshs.920,000 imposed on them for the project. This was because the management was trying to get the figure to be charged based on the tenders which were floated in October.
- 3.6.12 The Fund did not budget for the Tassia infrastructure as the plot owners were supposed to pay for the infrastructure. What was captured in the procurement plan was meant for tendering purposes. The 2013/14 procurement plan which was approved on 2nd December 2013, the Fund had planned for Kshs.3.3 billion shillings for Tassia Infrastructure works.

4.0 COMMITTEE'S GENERAL OBSERVATIONS

From the evidence adduced and submissions made, the Committee made the following observations:-

- 4.1 NSSF purchased the land in Tassia between 1992 and 1995 at a total cost of Kshs. 2.2 Billion from Tassia Coffee Estate Ltd and Nokin Investment Ltd with the objective of developing them into residential /commercial properties as part of NSSF investment portfolio. However in September 2001, illegal squatters and land grabbers invaded and subdivided Blocks 97 Tassia II, 21198 and 21190 – Tassia II into 5,500 plots claiming to have been sold the same by various land buying companies.
- 4.2 NSSF took the matter to Court in 2004 and a ruling made in favour of the Fund to evict the grabbers and demolish structures that had been built but after the intervention of the Government through the then Minister for Labour, the Office of the President and the local leaders, the Board of Trustees agreed in 2005 to sell the 5,500 plots to the squatters/grabbers and the plots were either sold through the NSSF Tenant Purchase Scheme or on cash terms. All plots were sold as un-serviced plots subject to approval of the Physical Development Plan by the then City Council of Nairobi.
- 4.3 The Board of Trustees of NSSF had realized that given the level of unplanned sub-division, encroachment and development on the land, executing the Court order on eviction and demolition would have presented a great logistical and security challenge.
- 4.4 Following consultations between NSSF and the Office of the President and Ministry of Labour and local leaders, the Board of Trustees agreed in 2005 to sell the **5,500** plots to the squatters/grabbers. **792** plots were sold through the NSSF Tenant Purchase Scheme and the balance of **4,708** plots

on cash terms. All were sold as un-serviced plots subject to approval of the Physical Development Plan by the then City Council of Nairobi.

- 4.5 Due to the unplanned manner in which the land had been sub-divided, it had to be surveyed and planned. NSSF engaged the services of Geoinfo Surveys Ltd which submitted Physical Development Plans to the City Council of Nairobi (CCN) and obtained a conditional approval on behalf of the Fund in May 2008.
- 4.6 NSSF engaged the services of another Land Surveyor, M/s Survplans Ltd in September 2010 following the demise of the director of Geoinfo Surveys and the re-surveying exercise commenced afresh in January 2011 so as to meet the CCN approval preconditions and complete the re-surveying and re-planning exercise.
- 4.7 M/s Multiscope Consulting Engineers Limited provided the preliminary cost estimate of the project at Kshs. 4.5 Billion, including individual plot access roads, pipe culvert, headwalls and culvert crossings to all plots. The cost of individual plot access roads was estimated at Kshs.1.2 Billion and advised NSSF that CCN will not approve the preliminary designs without provision of access to each individual plot and therefore the project cost estimate remained Kshs. 4.5 Billion.
- 4.8 Open tenders were advertised in The Standard Newspaper on 16th October, 2013 and the Daily Nation Newspaper of 21st October, 2013 inviting interested contractors who are qualified and registered with National Construction Authority to submit their bids on or before 19th November, 2013. As per tender requirement, the lowest evaluated bidder was to be awarded the tender. The Technical Evaluation Committee therefore recommended award of the tender to China Jiangxi International

(K) Ltd at their tender sum of **Kshs.4, 629,168,275.70** and contract period of two years.

4.9 The contract price for the infrastructure development is **Kshs.4, 629,168,275.70** but the Fund approved the total cost of the project as Kshs. 5.053 Billion whose tabulation do not add up.

(i) Construction cost as per award - Kshs. 4.629 Billion

(ii) Consultancy fees and Other Statutory payment -Kshs. 0.422 Billion

Total cost - Kshs. 5.053 Billion

There is a difference of Kshs. 2,000,000 which is not tabulated.

4.10 The Fund Tender Committee subsequently met on the 19th of December, 2013 and approved award of the tender to China Jiangxi International (K) Ltd as per the recommendation of the Evaluation Committee.

4.11 The development of the infrastructural services was imposed on the NSSF by virtue of its legal entitlement to the land by CCN as a pre-condition of the approval on the regularization of the physical development plan.

4.12 The Tassia infrastructure development project shall be solely financed by the contributions from plot owners and that no funds from the NSSF are to be utilized in the project.

4.13 The approval of the project by Federation of Kenya Employers' Chief Executive Officer, Ms. Jacqueline Mugo was made on condition that the Board of Trustees does not utilize any additional money from the Fund.

4.14 The beneficiaries of the project are the 5,500 plot owners of Tassia who will be able to get their title deeds processed after regularization of their plots. The value of their properties will also increase as a result of providing the infrastructure services.

- 4.15 Most of the large projects by NSSF are undertaken by China Jiangxi International (Kenya) Ltd raising concerns over probable collusion in award of tenders contrary to section 42 of the Public Procurement and Disposal Act, 2005.
- 4.16 The Cabinet Secretary for Labour, Social Security and Services purportedly cancelled the contract while in real sense the Cabinet Secretary does not have the powers to cancel a procurement process initiated by a procuring entity. Matters relating to procurement are within the ambits of the Cabinet Secretary, Treasury within the meaning of section 2 of Public Procurement and Disposal Act, 2005 whose mandate therein is limited to prescribing preferences or reservations in public procurement and disposal in consideration of economic and social development factors as stipulated in section 39(2) , (8) of the said Act and not cancellation of tenders.
- 4.17 There is a high turnover of Managing Trustees at NSSF attributed to interference from the Ministry of Labour, Social Security and Services.
- 4.18 The approval of the Tassia infrastructure development project was done through closed e-mail circulation.
- 4.19 The extra cost resulting from the infrastructure development was not in the initial cost of the plots.

5.0 COMMITTEE RECOMENDATIONS

From the evidence adduced and the observations thereof, the Committee recommends that:-

- 5.1 The Tassia Infrastructure Development Project is important since the plot owners will get their title documents , the over 20,000 persons living in Tassia area will benefit from access to an efficient road network, water

supply, street lighting, individual plot access and healthy living environment; and the project will also provide an efficient comprehensive infrastructure network system in the area. The project should continue on condition that:-

- (i) The project does not utilize any resources/funds from the Fund since there was no budgetary provision.
- (ii) Should it be necessary for NSSF to utilize its resources in the project, then it must develop the Tassia Infrastructure Development Project on a commercial basis and ensure that any money from the Fund utilized is fully recovered and accounted for.
- (iii) NSSF collects all money owed by the plot owners arising from the sale of the plots; and
- (iv) NSSF collects funds from the plot owners to cater for the infrastructure development at Tassia II.

5.2 EACC investigates the procurement of major projects undertaken by NSSF and the circumstances under which China Jiangxi International (Kenya) Ltd has been awarded most major projects at NSSF.

5.3 The Ministry of Labour, Social Security and Services should not interfere with the procurement processes by NSSF. The Ministry should however offer guidance to the Fund.

5.4 The NSSF Act be amended in section 49 to allow for approval of any investment of the Fund by the Board of Trustees via closed e-mail circulation or any other electronic means.

MINUTES

**MINUTES OF THE 16TH SITTING OF THE PUBLIC INVESTMENTS COMMITTEE
HELD ON THURSDAY, JANUARY 30TH 2014 IN THE MAIN CONFERENCE
ROOM, COUNTY HALL, PARLIAMENT BUILDINGS AT 10.00 AM**

PRESENT:

1. Hon. Adan Keynan, CBS, M.P. – **Chairperson**
2. Hon. Kimani Ichung'wah, M.P. – **Vice Chairperson**
3. Hon. Francis Nyenze Mwanzia, M.P.
4. Hon. Korei Ole Lemein, M.P.
5. Hon. Johana Ngeno, M.P.
6. Hon. John Aluoch Olago, M.P.
7. Hon. Mary Keraa Sally, M.P.
8. Hon. Bernard Munyoki Kitungi, M.P.
9. Hon. Chrisanthus Wamalwa, M.P.
10. Hon. Major (Rtd) John Waluke, M.P.
11. Hon. Cornelly Serem, M.P.
12. Hon. Adan M. Nooru, M.P.
13. Hon. John M. Nyaga, M.P.
14. Hon. Eng. John Kiragu, M.P.
15. Hon. Paul Otuoma, M.P.

ABSENT WITH APOLOGY

1. Hon. Mithika Linturi, M.P.
2. Hon. Njogu Barua, M.P.
3. Hon. Sammy Mwaita, M.P.
4. Hon. Onesmus Njuki, M.P.
5. Hon. Dr. Oburu Oginga, M.P.
6. Hon. Ogutu John Omondi, M.P.
7. Hon. Bare Shill, M.P.
8. Hon. Wafula Wamunyinyi, M.P.
9. Hon. Abdullswamad Sheriff, M.P.
10. Hon. Mwadeghu Thomas, M.P.
11. Hon. Irungu Kang'ata, M.P.
12. Hon. Beatrice Nyaga, M.P.

IN – ATTENDANCE

NATIONAL ASSEMBLY

Mr. Nicholas Emejen – Principal Clerk Assistant I
Mr. Abdullahi Aden - First Clerk Assistant

KENYA NATIONAL AUDIT OFFICE

Mr. David Njoka - Director
Mr. Kiguongo - Director
Mr. Obed K. Chweya - Senior Auditor

NATIONAL SOCIAL SECURITY FUND

Mr. Richard Langat - Ag. Managing Trustee
Mr. Mutemi Nzatu - Property Manager
Mr. Gideon Kyengo - Ag. General Manager Finance

MINUTE NO. 46/2014 - EVIDENCE BY THE NATIONAL SOCIAL SECURITY FUND (NSSF)

The Acting Managing Trustee, NSSF appeared before the Committee to adduce evidence on the procurement and financing of the Tassia II infrastructure development project. He informed the Committee that:-

- (i) The National Social Security Fund (NSSF) holds titles for Block 97, Block 21190 and Block 21189 respectively in the expansive Tassia Estate, Embakasi region along Outering Road, Nairobi all measuring 350 acres. The land was purchased between 1992 and 1995 at a total cost of Kshs. 2.2 Billion from Tassia Coffee Estate Ltd and Nokin Investment Ltd with the objective of developing them into residential /commercial properties as part of NSSF investment portfolio.
- (ii) In September 2001, illegal squatters and land grabbers invaded and subdivided Blocks 97 Tassia II, 21198 and 21190 – Tassia II into 5,500 plots claiming to have been sold the same by various land buying companies.
- (iii) NSSF took the matter to Court in 2004 and a ruling made in favour of the Fund to evict the grabbers and demolish structures that had been built. After consultations between NSSF and the Government through the then Minister for Labour and the Office of the President and the local leaders, the Board of Trustees agreed in 2005 to sell the 5,500 plots to the squatters/grabbers.
- (iv) Of the 5,500 plots 792 were sold through the NSSF Tenant Purchase Scheme and the balance of 4,708 on cash terms. All plots were sold as un-serviced plots subject to approval of the Physical Development Plan by the then City Council of Nairobi.
- (v) M/s Multiscope was procured in 2010 to carry out a comprehensive design works, prepare cost estimates, obtain necessary regulatory approvals of the designs and oversee project implementation.
- (vi) The plot owners could not be issued with titles unless conditions imposed by the City Council of Nairobi among them infrastructure development were met. This informed

the decision to initiate infrastructure development project whose cost was to be met by the plot owners. The NSSF advertised Open tenders in the Standard Newspaper on 16th October, 2013 and the Daily Nation of 21st October, 2013 inviting interested contractors.

- (vii) The bids were evaluated and the Technical evaluation Committee recommended award of the tender to China Jiangxi International (K) Ltd at their corrected tender sum of Kshs. 4,629,168,275.70 and contract period of two years.
- (viii) Approval for the project was granted by the Board of Trustees through email circulation. This method has been used in the past in approving similar and other projects.
- (ix) There was no budgetary provision for the project since NSSF expected to recover the cost from the plot owners. 80% of the plot owners are willing to pay for the infrastructure development.
- (x) NSSF is aggressively pursuing recovery of the outstanding balance of Kshs. 0.7 Billion which is expected to be realized by July 2014. Any unpaid for plots by that date will be repossessed and sold to other willing buyers at market price.

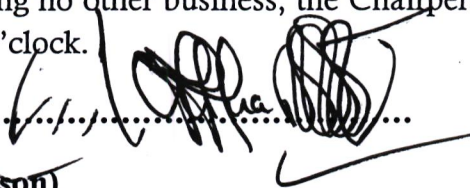
MINUTE NO.47/2014 - COMMITTEE OBSERVATIONS

The Committee made the following observations:-

- (i) NSSF Board allowed the award of the contract for the infrastructure development in Tassia II without the plot owners paying the required money.
- (ii) The award of the contract without assurances for funding was contrary to the Public Procurement and Disposal Act, 2005 which requires that a procuring entity must satisfy itself that there are adequate funds before initiating any procurement process.
- (iii) The Board should have ensured that plot owners paid the requisite funds before entering into a contract.
- (iv) Most of the large NSSF projects are undertaken by China Jiangxi International (Kenya) Ltd.

MINUTE NO. 48 /2014 - ADJOURNMENT

There being no other business, the Chairperson adjourned the meeting at Fifteen Minutes past Twelve O'clock.

Signed:

(Chairperson)

Date:


MINUTES OF THE 17TH SITTING OF THE PUBLIC INVESTMENTS COMMITTEE HELD ON THURSDAY JANUARY 30TH 2014 IN THE MAIN CONFERENCE ROOM, COUNTY HALL, PARLIAMENT BUILDINGS AT 2.30 PM

PRESENT:

1. Hon. Adan Keynan, CBS, M.P. – **Chairperson**
2. Hon. Kimani Ichung'wah, M.P. – **Vice Chairperson**
3. Hon. Francis Nyenze Mwanzia, M.P.
4. Hon. Korei Ole Lemein, M.P.
5. Hon. Johana Ngeno, M.P.
6. Hon. John Aluoch Olago, M.P.
7. Hon. Mary Keraa Sally, M.P.
8. Hon. Bernard Munyoki Kitungi, M.P.
9. Hon. Chrisanthus Wamalwa, M.P.
10. Hon. Major (Rtd) John Waluke, M.P.
11. Hon. Cornelly Serem, M.P.
12. Hon. Adan M. Nooru, M.P.
13. Hon. John M. Nyaga, M.P.
14. Hon. Eng. John Kiragu, M.P.
15. Hon. Paul Otuoma, M.P.

ABSENT WITH APOLOGY

1. Hon. Mithika Linturi, M.P.
2. Hon. Njogu Barua, M.P.
3. Hon. Sammy Mwaita, M.P.
4. Hon. Onesmus Njuki, M.P.
5. Hon. Dr. Oburu Oginga, M.P.
6. Hon. Ogutu John Omondi, M.P.
7. Hon. Bare Shill, M.P.
8. Hon. Wafula Wamunyinyi, M.P.
9. Hon. Abdullswamad Sheriff, M.P.
10. Hon. Mwadeghu Thomas, M.P.
11. Hon. Irungu Kang'ata, M.P.
12. Hon. Beatrice Nyaga, M.P.

IN – ATTENDANCE

NATIONAL ASSEMBLY

Mr. Nicholas Emejen – Principal Clerk Assistant I
Mr. Abdullahi Aden - First Clerk Assistant

KENYA NATIONAL AUDIT OFFICE

Mr. David Njoka - Director Audit
Mr. Jackson Mucheba - Manager Audit
Mr. Obed K Chweya - Senior Manager Audit

TREASURY

Mr. John Munge

MINISTRY OF LABOUR SOCIAL SECURITY AND SERVICES

Hon. Kambi Kazungu - Cabinet Secretary
Mr. Ali Noor Ismail - Principal Secretary
Ms. Catherine Njoroge - Senior Public Communications Officer

**MINUTE NO. 49/2014 - EVIDENCE BY THE CABINET SECRETARY, LABOUR,
SOCIAL SECURITY AND SERVICES**

The Cabinet Secretary, Social Security and Services Hon. Kazungu Kambi appeared before the Committee to adduce evidence on the procurement and financing of the Tassia II infrastructure development project.

The Cabinet Secretary requested Members to postpone the meeting to allow him sufficient time to prepare a comprehensive brief on the Tassia project as well as finalize investigations on the matter. He requested the Committee for a period of two weeks.

The Committee considered the request and resolved that the Cabinet Secretary appears before it in two weeks' time (13 February, 2014). The Committee directed that the Cabinet Secretary's brief should also include the procurement and financing of all major projects undertaken by the NSSF in the last five years.

MINUTE NO. 50 /2014 - ADJOURNMENT

There being no other business, the Chairperson adjourned the meeting at Twenty Minutes past Three O'clock.

Signed: 
(Chairperson)

Date: 28/2/2014

**MINUTES OF THE 23RD SITTING OF THE PUBLIC INVESTMENTS COMMITTEE
HELD ON WEDNESDAY FEBRUARY 12TH, 2014 IN COMMITTEE ROOM, 5TH
FLOOR, CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 10.00 AM**

1. Hon. Adan Keynan, CBS, M.P. – **Chairperson**
2. Hon. Kimani Ichung'wah, M.P. – **Vice Chairperson**
3. Hon. Korei Ole Lemein, M.P.
4. Hon. John Aluoch Olago, M.P.
5. Hon. Bernard Munyoki Kitungi, M.P.
6. Hon. Major (Rtd) John Waluke, M.P.
7. Hon. Bare Shill, M.P
8. Hon. Mwadeghu Thomas, M.P.
9. Hon. Cornelly Serem, M.P
10. Hon. Adan M. Nooru, M.P.
11. Hon. Njogu Barua, M.P.
12. Hon. Paul Otuoma, M.P.
13. Hon. Chrisanthus Wamalwa, M.P
14. Hon. Mithika Linturi, M.P
15. Hon. Beatrice Nyaga, M.P.
16. Hon. Nyagah M. Jonh, MP
17. Hon. Irungu Kang'ata, M.P
18. Hon. Onesmus Njuki, M.P.
19. Hon. Eng. John Kiragu, M.P.
20. Hon. Johana Ngeno, M.P.
21. Hon. Francis Nyenze Mwanzia, M.P.
22. Hon. Mary Keraa Sally, M.P.
23. Hon. Ogutu John Omondi, M.P.
24. Hon. Dr. Oburu Oginga, M.P

ABSENT WITH APOLOGY

1. Hon. Wafula Wamunyinyi, M.P.
2. Hon. Sammy Mwaita, M.P.
3. Hon. Abdullswamad Sheriff, M.P.

IN ATTENDANCE

NATIONAL ASSEMBLY

Mr. Abdullahi Aden - First Clerk Assistant
Mr. Joash Kosiba - Fiscal Analyst

AUDITOPR GERNERAL OFFICE

Mr. Dennis Kariuki - Director of Audit

Mr. Obed K Chweya - Senior Manager
Mr. Muli Kalinda - Manager

IN-ATTENDANCE INSPECTORATE OF STATE CORPORATIONS

Mrs. Joyce Wesonga - Assistant Inspector General

MINUTE NO. 65/2014 - EVIDENCE BY THE CHIEF EXECUTIVE OFFICER, FEDERATION OF KENYA EMPLOYERS (FKE)

The Chief Executive Officer, FKE, Ms. Jacqueline Mugo, briefed the Committee as follows, that:-

APPROVAL OF THE PROJECT

- (i) The NSSF Tassia Infrastructure development project was a conditional approval based on the indication by the Ag. Managing Trustee that the project would be self-financing.
- (ii) She urged the Managing Trustee and the Chairman to make clarifications on the Tassia II project as the email circulated by the Managing Trustee could not have constituted a Board approval of the project as no presentation had been made to the board on the matter or a plan securing the financing of the project by the tenants as presented by the Ag. Managing Trustee shared with the Board.
- (iii) The approval could only be given at a formal duly constituted board meeting where a resolution is passed. To date, there has been no meeting held or resolution made. A formal meeting should have been called to allow the Board to discuss the issue.
- (iv) FKE put a paid advert to clear its position on this matter and urged the Fund to take the desired action. All these efforts were resisted and or ignored.

PROCUREMENT OF THE PROJECT

- (v) The procurement was done by the management and the CEO FKE had no first hand information on the matter except the statement by the Ag. Managing Trustee in the paid up advert which appeared in the dailies. This advert clearly indicates that the process started long before the purported email "approval" on 18th December, 2013.

THE ACTUAL COST OF THE PROJECT

- (vi) The tender sum is indicated as Kshs. 4.629 Billion but the email sent to the NSSF Board via email circulation indicated that it was Kshs. 5.053 Billion.

THE BENEFICIARIES OF THE PROJECT

- (vii) The beneficiaries are presumably the tenants. It is however unclear what NSSF stands to gain from this infrastructure investment. The Conditional approval said to have been granted by the Nairobi County Government has not been disclosed to the Board. The rationale given for the project has been that the cost would be borne by the tenants.

DUE DILIGENCE BEFORE COMMENCEMENT OF THE PROJECT

- (viii) The Property development and investments department of the Fund claim that the project is fully self-financing although the tenants have not been advised on the cost and neither has the fund collected any money from the tenants for the project.

SUSPENSION OF THE PROJECT AND THE COST THAT THE FUND WILL INCUR AS A RESULT OF THE SUSPENSION

- (ix) The contract was suspended by the Cabinet Secretary and this was disclosed by the Cabinet Secretary when he appeared before the Parliamentary Committee on Labour & Social Welfare. The Cabinet Secretary has no powers to cancel or suspend the contract.
- (x) The federation of Kenya Employers has no objection to the background information including the processes regarding the land surveys and approvals from the Nairobi City Council/Nairobi County Government. What is vague and in contention is the tender process as explained (or unexplained) by the Fund and the dogged determination by the Cabinet Secretary and a section of the Board to portray the picture that there was a Board approval of the project when there clearly was no such valid approval granted. The project has no value proposition for the contributors to NSSF.


MINUTE NO. 66/2014 - COMMITTEE OBSERVATIONS

The Committee made the following observations:-

- (i) The approval of the NSSF Tassia Infrastructure Development Project could only be given at a formal and duly constituted Board meeting where a resolution is passed.
- (ii) The approval of the project by the representative of the Federation of Kenya Employers at the board was subject to the Fund not incurring any additional cost.
- (iii) The project had no budgetary allocation and the Board never met to discuss the financing of NSSF Tassia II infrastructure development Project.
- (iv) There was no formal agreement between NSSF and the squatters on the infrastructure development project at Tassia.

MINUTE NO.67 /20134 - ADJOURNMENT

There being no other business, the Chairperson adjourned the meeting at Forty five Minutes past twelve O'clock.

Signed: .....
Chairperson)

Date: 29/3/2014.....

**MINUTES OF THE 40TH SITTING OF THE PUBLIC INVESTMENTS COMMITTEE
HELD ON TUESDAY 18TH MARCH 2014, IN COMMITTEE ROOM, 5TH FLOOR,
CONTINENTAL HOUSE, PARLIAMENT BUILDINGS AT 10.00 AM.**

PRESENT:

1. Hon. Kimani Ichung'wah, M.P. – **Vice Chairperson**
2. Hon. Francis Nyenze Mwanzia, M.P.
3. Hon. Korei Ole Lemein, M.P.
4. Hon. Johana Ngeno, M.P.
5. Hon. John Aluoch Olago, M.P.
6. Hon. Bernard Munyoki Kitungi, M.P.
7. Hon. Major (Rtd) John Waluke, M.P.
8. Hon. Cornelly Serem, M.P.
9. Hon. Mithika Linturi, M.P.
10. Hon. Bare Shill, M.P.
11. Hon. Onesmus Njuki, M.P.
12. Hon. Sammy Mwaita, M.P.
13. Hon. Dr. Oburu Oginga, M.P.
14. Hon. Adan M. Nooru, MBS, M.P.
15. Hon. John M. Nyaga, M.P.
16. Hon. Eng. John Kiragu, M.P.
17. Hon. Njogu Barua, M.P.
18. Hon. Ogutu John Omondi, M.P.
19. Hon. Wafula Wamunyinyi, M.P.
20. Hon. Abdullswamad Sheriff, M.P.
21. Hon. Mwadeghu Thomas, M.P.
22. Hon. Chrisanthus Wamalwa, M.P.

ABSENT WITH APOLOGY

1. Hon. Adan Keynan, CBS M.P. – **Chairperson**
2. Hon. Beatrice Nyaga, M.P.
3. Hon. Mary Keraa Sally, M.P.
4. Hon. Dr. Paul Otuoma, EGH, M.P.
5. Hon. Irungu Kang'ata, M.P.

IN – ATTENDANCE

NATIONAL ASSEMBLY

Mr. Abdullahi Aden - First Clerk Assistant

MINISTRY OF LABOUR , SOCIAL SECURITY AND SERVICES

Hon. Kambi Kazungu - Cabinet Secretary
Mr. Ali Noor Ismail - Principal Secretary
Mr. Richard Langat - Ag. Managing Trustee NSSF

MINUTE NO. 47/2014 - EVIDENCE BY HON. KAMBI KAZUNGU, THE CABINET SECRETARY FOR LABOUR, SOCIAL SECURITY AND SERVICES

Hon. Kambi Kazungu, Cabinet Secretary for Labour, Social Security and Services appeared before the Committee to adduce evidence on the procurement and financing of the NSSF Tassia II Infrastructure Development Project. He informed the Committee that:-

(a) Procurement process for the project

- (i) NSSF advertised open tenders in October 2013. Tenders were opened on 22 November, 2013 and after evaluation, the tender was awarded to M/s China Jianxhi International (K) Ltd at Kshs. 4,629,168,275.70 and contract period of 22.4 months. The bidder was the lowest evaluated.

(b) The actual cost of the project

- (ii) The actual cost of the project will be Kshs. 5.053 Billion broken down as follows:-

(i)	Construction cost as per award	-	Kshs. 4.629 Billion
(iii)	Consultancy fees and Other	-	<u>Kshs.0.422 Billion</u>
(iii)	Statutory payment	-	<u>Kshs. 5.053 Billion</u>

(c) The Beneficiaries of the project

- (ii) The beneficiaries of the project will be the 5,500 plot owners of Tassia who will be able to get their Title Deeds processed after regularization of their plots and also enjoy the infrastructure services. The value of their properties will also increase as a result of providing the infrastructure services.

(d) Authority and necessary Approvals for the project to commence

- (iv) The infrastructural development plans have been approved by Nairobi City County Government ready for implementation and the NSSF Board of Trustees has also given all the necessary approvals both for the project and its cost estimates.

(e) Stake Holders Participation in the Infrastructure Development

- (v) To help establish individual plot beacons, the fund requested all plot owners to contribute Kshs. 12,000 towards survey and re-planning services amounting to Kshs. 66 Million.
- (vi) After the Nairobi City Council gave conditional approval of the regularization, the plot owners were advised so. The NSSF has individually and through media

advertisements informed all the 5,500 plot owners that they will be called upon to pay for regularization requirements including development of the infrastructure services.

- (vii) The Fund has established the actual contribution for each individual plot power of Kshs. 920,000.00 the same shall be advised to them accordingly and collection of individual's contributions will commence immediately.

(f) Due Diligence before the commencement of the project

- (viii) The development of the infrastructure services was imposed on the fund, as a pre-condition before approval of the regularization plan and NSSF engaged Multiscope Consulting Engineers for design and Supervision of the project. However, due diligence was undertaken to ensure the works are carried out at the lowest cost possible. The fund has also come out with a recovery strategy on how the monies will be collected from each individual plot owner.

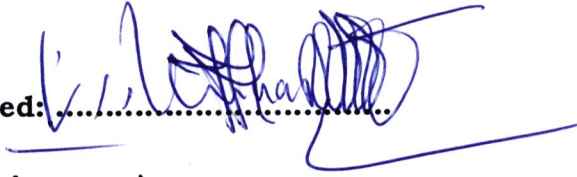
MINUTE NO. 48/2014 - COMMITTEE OBSERVATIONS

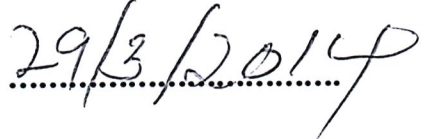
The Committee observed that:-

- (i) The approval of the NSSF Tassia project could only be given at a formal duly constituted board meeting where a resolution is passed.
- (ii) There was no Budgetary allocation for the development of the NSSF Tassia II Infrastructure development project hence the NSSF Board of trustees floated section 30 (4) of the Public Procurement and Disposal Act that prohibits procurement of services without a budget
- (iii) There was no formal agreement between NSSF and the land owners/squatters on the NSSF Tassia II infrastructure development project.

MINUTE NO. 49 /2014 - ADJOURNMENT

There being no other business, the Chairperson adjourned the meeting at Fifteen Minutes past Twelve O'clock.

Signed: 
(Chairperson)

Date: 

**MINUTES OF THE 49TH SITTING OF THE PUBLIC INVESTMENTS COMMITTEE
HELD ON WEDNESDAY APRIL 23RD 2014, AT MOMBASA, SAROVA WHITE
SANDSRESORT IN MOMBASA AT 11.30 AM**

PRESENT:

1. Hon. Adan Keynan, CBS M.P. – **Chairperson**
2. Hon. Kimani Ichung'wah, M.P. – **Vice Chairperson**
3. Hon. Francis Nyenze Mwanzia, M.P.
4. Hon. Bare Shill, M.P
5. Hon. Adan M. Nooru, MBS, M.P.
6. Hon. Chrisanthus Wamalwa, M.P
7. Hon. Abdullswamad Sheriff, M.P.
8. Hon. John M. Nyaga, M.P
9. Hon. Paul Otuoma, EGH, M.P.
10. Hon. Beatrice Nyaga, M.P.
11. Hon. Cornelly Serem, M.P
12. Hon. Dr. Oburu Oginga, M.P
13. Hon. John Aluoch Olago, M.P.
14. Hon. Johana Ngeno, M.P.
15. Hon. Onesmus Njuki, M.P.
16. Hon. Mithika Linturi, M.P
17. Hon. Mwadeghu Thomas, M.P.
18. Hon. Irungu Kang'ata, M.P
19. Hon. Bernard Munyoki Kitungi, M.P
20. Hon. Eng. John Kiragu, M.P.
21. Hon. Njogu Barua, M.P.
22. Hon. Sammy Mwaita, M.P.
23. Hon. Korei Ole Lemein, M.P.
24. Hon. Ogutu John Omondi, MP
25. Hon. Major (Rtd) John Waluke, M.P

ABSENT WITH APOLOGY

1. Hon. Mary Keraa Sally, M.P.
2. Hon. Wafula Wamunyinyi, M.P.

IN – ATTENDANCE

NATIONAL ASSEMBLY

Mr. Nicolas Emejen
Mr. Abdullahi Aden
Mr. JoashKosiba

Principal Clerk Assistant
First Clerk Assistant
Fiscal Analyst

Mr. Wilson Dima

Senior Legal Counsel

IN ATTENDANCE-OFFICE OF THE AUDITOR GENERAL

Mr. Kalinda B. Mulli

Manager Office of the Auditor General

INSPECTORATE OF STATE CORPORATION

Mr. Nelson Kweya

Senior Assistant Inspector General

MINUTE. NO. 114 /2014 - ADOPTION OF REPORT ON THE NATION SOCIAL SECURITY FUND (NSSF) TASSIA II INFRASTRUCTURE DEVELOPMENT PROJECT

The Committee considered its Report on the NSSF Tassia II Infrastructure Development Project and unanimously adopted it as proposed by Hon. Thomas Mwadeghu, MP and seconded by Hon. Abdullswamad Sherriff, MP.

MINUTE NO.115/2014 - CONFIRMATION OF MINUTES

Minutes of the following Sittings were confirmed and signed as the true deliberations of the Committee:-

- (i) Minutes of the 47th Sitting held on Tuesday April 22nd 2014 at the Sarova White Sands Resort in Mombasa, were proposed by Hon. Adan M. Nooru, MP and seconded by Hon. Oburu Oginga, MP.
- (ii) Minutes of the 48th Sitting held on Wednesday April 23rd 2014, at the Sarova White Sands Resort in Mombasa, were proposed by Hon. Eng. John Kiragu, MP and seconded by Hon. Beatrice Nyagah, MP.

MINUTE NO. 116 /2014 - ADJOURNMENT

There being no other business, the Chairperson adjourned the meeting at Thirty Minutes past two o'clock.

Signed:

(Chairperson)

Date: 24/4/14

ANNEXES

ANNEX 1



NATIONAL SOCIAL SECURITY FUND

BOARD OF TRUSTEES
SF/ADM 19 VOL.III

The Investments Manager

RE: BOARD DECISION

During the 28th Meeting of the Finance, Investment and Tender Oversight Committee of the Board of Trustees, National Social Security Fund, held on 4th May, 2007, the following decision was made for implementation:-

SALE OF TASSIA II AND III PLOTS

The Committee approved sale of Tassia II and III plots through the Tenant Purchase Scheme.


R.K. LUMBASYO
MANAGING TRUSTEE

8th May 2007

c.c. Ag. General Manager (Finance & Investments)

ANNEX 2

MCE 112
2



Silverpool Office Suites, 3rd Floor, Suite B30,
Jabavu Lane, Off Argwings Kodhek Road, Hurlingham
P.O. Box 12012 - 00100, Nairobi, Kenya. Tel: 20 2734744, 20 8022473.
Fax: 2717736. Mobile: 0721 367435, E-mail: info@multiscope.co.ke

MCE/112/NSSFT/snm/20

4th February 2013

① MFD
② PDD (R)
Pse discuss
13/2/13

The Managing Trustee
National Social Security Fund
P.O. Box 30599 - 00100
NAIROBI

Att: Mr. M. Nzatu

Dear Sir

RE: CIVIL ENGINEERING REGULARIZATION SERVICES OF PLOTS AT
TASSIA, EMBAKASI FOR NATIONAL SOCIAL SECURITY FUND,
NAIROBI.

Approval Fee for Civil Engineering Drawings

Following our submission of Civil Engineering Drawings for the above project to the City Engineer for approval (MCE/112/NSSFT/snm/18), we have received an invoice for Kshs. 11,244,000.00 as approval fee. Please make arrangements to pay the approval fee as per attached invoice.

Yours faithfully
MultiScope Consulting Engineers Ltd

Eng. S.N. Maugo
Managing Director

APPENDIX 8



BILL OF QUANTITIES SUMMARY

MINISTRY OF WORKS AND TRANSPORT
GOVERNMENT OF KENYA

BILL PART	DESCRIPTION	AMOUNT (Ksh.)
1	General Items	259,677,550.00
4	Site Clearance	38,208,000.00
5	Earthworks	597,560,000.00
7	Excavation for Structures	13,492,750.00
8	Culverts and Drainage	651,439,556.00
9	Passage of Traffic	8,024,750.00
12	Natural Material Sub Base and Base	67,100,000.00
13	Graded Crushed Stone Base	124,080,000.00
15	Bituminous Surface Treatments and Surface Dressings	79,250,000.00
16	Bituminous Mix Bases, Binder Courses and Wearing Courses	382,000,000.00
17	Concrete Works	41,896,400.00
20	Road Furniture	153,855,115.00
22	Dayworks	15,644,772.50
23	Street Lighting	200,000,000.00
25	Sewerage	763,474,160.00
26	Water Supply	396,124,841.00
27	HIV & AIDS Awareness and Education	2,400,000.00
	SUB TOTAL	3,794,227,894.50
	Add 10% of (1) for Contingencies to be Expended in whole or in part or deleted entirely by the Engineer in accordance with sub-clause 52(4) and Clause 58 of the Conditions of Contract (2)	379,422,789.45
	Add 10% of Sub-total for Variation of Prices	379,422,789.45
	Grand Total Carried Forward to Form of Bid	4,553,073,473.40


BILL OF QUANTITIES SUMMARY

BILL PART	DESCRIPTION	AMOUNT (Ksh.)
1	General Items	301,318,231.88
4	Site Clearance	38,208,000.00
5	Earthworks	457,147,500.00
7	Excavation for Structures	13,492,750.00
8	Culverts and Drainage	478,807,756.00
12	Natural Material Sub Base and Base	61,325,000.00
13	Graded Crushed Stone Base	58,500,000.00
16	Bituminous Mix Bases, Binder Courses and Wearing Courses	376,664,000.00
17	Concrete Works	41,896,400.00
20	Road Furniture	96,386,505.00
22	Dayworks	15,644,772.50
23	Street Lighting	200,000,000.00
25	Sewerage	676,437,960.00
26	Water Supply	188,517,086.00
	SUB TOTAL (1)	3,004,345,961.38
	Add 10% of (1) for Contingencies to be Expended in part or deleted entirely by the Engineer in accordance with sub-clause 52(4) and Clause 58 of the Conditions of Contract (2)	300,434,596.14
	TOTAL (3)	3,304,780,557.51
	Bid Price (3)	3,304,780,557.51
	Grand Total Carried Forward to Form of Bid	3,304,780,557.51

MCE/112/NSSFT/snm/4

1st March 2011

The Managing Trustee,
National Social Security Fund,
P.O. Box 30599 - 00100,
NAIROBI.

Att. Mr. Nzatu

Dear Sir,

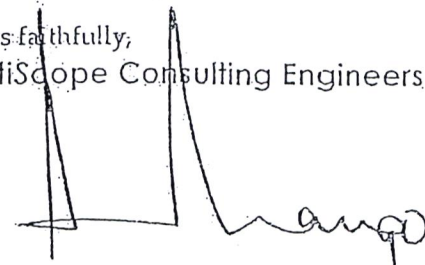
RE: CIVIL ENGINEERING SERVICES FOR PLOTS 21190 & 21189 IN TASSIA,
EMBAKASI

Our preliminary cost estimate is as attached KES. 4,553,073,473.40 (Kenya Shillings Four Billion, Five Hundred and Fifty Three Million, Seventy Three Thousand, Four Hundred and Seventy Three and Forty Cents only). This cost estimate includes access roads and pipe culvert crossings to all plots and headwalls which are a precondition for approval by Nairobi City Council. Excluding these items as per your request results in a preliminary cost of KES. 3,304,780,557.00 (Kenya Shillings Three Billion, Three Hundred and Four Million, Seven Hundred and Eighty Thousand, Five Hundred and Fifty Seven and Fifty One Cents Only).

But please note that Nairobi City Council will not approve the design without provision of the accesses to each plot, pipe culvert crossings and headwalls.

We hope you will find this in order.

Yours faithfully,
MultiScope Consulting Engineers Ltd.



Eng. S.N. Maugo
Managing Director

BILL OF QUANTITIES SUMMARY

BILL PART	DESCRIPTION	AMOUNT (Ksh.)
1	General Items	427,881,230.00
4	Site Clearance	38,477,880.00
5	Earthworks	618,204,000.00
7	Excavation for Structures	12,272,000.00
8	Culverts and Drainage	560,584,300.00
9	Passage of Traffic	8,022,500.00
12	Natural Material Sub Base and Base	61,000,000.00
13	Graded Crushed Stone Base	107,160,000.00
15	Bituminous Surface Treatments and Surface Dressings	67,980,000.00
16	Bituminous Mix Bases, Binder Courses and Wearing Courses	328,540,000.00
17	Concrete Works	36,040,760.00
20	Road Furniture	132,064,290.00
22	Dayworks	15,644,772.50
23	Street Lighting	200,000,000.00
24	HIV & AIDS Awareness and Education	6,800,000.00
25	Sewerage	667,560,740.00
26	Water Supply	342,170,057.00
1	SUB TOTAL (1)	3,630,402,529.50
	Add 10% of Sub-total (1) for Contingencies to be expended in whole or in part or deleted entirely by the Engineer in accordance with sub-clause 52(4) and Clause 58 of the Conditions of Contract (2)	363,040,252.95
	Add 10% of Sub-total (1) as Provisional Sums for Variation of Prices in accordance with Clause 70 of the Conditions of Contract	363,040,252.95
2	SUB TOTAL (2)	4,356,483,035.40
3	Add 16% of Sub total (2) for V.A.T (3)	697,037,285.66
	GRAND TOTAL CARRIED FORWARD TO FORM OF BID (SUB-TOTAL 2+3)	5,053,520,321.06

ANNEX 3

NAME	ACADEMIC QUALIFICATION	DATE	TIME
15. Mark Cheruvot	M BSC	20/11/2013	4.30 pm
16. Nancy Jepkembai	F BBM	21/11/2013	8.30 am
17. Richard Kiploo Lelai	M BSC	21/11/2013	9.00 am
18. Scholastica Jelai Kosgei	F BED	21/11/2013	9.30 am
19. Truphosa Chepkosgei Korir	F MED, BED	21/11/2013	10.00 am
20. Truphosa Jelimo Magut	F BED	21/11/2013	10.30 am
2. NANDI HILLS			
NAME	ACADEMIC QUALIFICATION	DATE	TIME
1. Abraham Kipkosgey Rutto	M BED	21/11/2013	12.00 noon
2. Caroline Jephchir Tiony	F MBA, BBM	21/11/2013	12.30 pm
3. David Kimeli Keter	M MED, BA	21/11/2013	2.00 pm
4. David Kimutai Sum	M M.COM, B.COM	21/11/2013	2.30 pm
5. Eliud Kipkosgei Beit	M BBM	21/11/2013	3.00 pm
6. Emmanuel Kipkirong Rono	M BED	21/11/2013	3.30 pm
7. Henry Kiprono Sima	M MED, BED	21/11/2013	4.00 pm
8. Irene Cheplai	F BSC	22/11/2013	8.30 am
9. Japheth Kiprotich Cheruvot	M BED	22/11/2013	9.00 am
10. Juliana Jerojo	F BED	22/11/2013	9.30 am
11. Lelai Joan Jechumba	F BED	22/11/2013	10.00 am
12. Michael Kiptum Chelulei	M BSC, BSC	22/11/2013	10.30 am
13. Pamela Jerop Chebil	F BBM	22/11/2013	10.30 am
14. Philip Kibor Kogo	M B.COM	22/11/2013	11.30 am
15. Rael Jephchir Cheruvot	F BSC	22/11/2013	12.00 noon
16. Richard Kiprotich	M BSC	22/11/2013	12.30 pm
17. Samuel Kiprono Rono	M BSC	22/11/2013	2.00 pm
18. Sarigi Kipkosgei	M MA, BA	22/11/2013	2.30 pm
19. Simon Kipkirong Koi	M BED	22/11/2013	3.00 pm
20. Solomon Chazira Kitai	M BA	22/11/2013	3.30 pm
21. Teresa Jerolich	F BA	22/11/2013	3.30 pm
3. ALDAI			
NAME	ACADEMIC QUALIFICATION	DATE	TIME
1. Augustine Kipyego Rono	M BED	25/11/2013	8.30 am
2. Bernard Kipyego Lagat	M MED, BED	25/11/2013	9.00 am
3. Christine Jerobon	F BSC	25/11/2013	9.30 am
4. Dan Isachar Kipchumba Too	M M.THEO, B.THEO	25/11/2013	10.00 am
5. Daniel Kiplat Birgen	M BA	25/11/2013	10.30 am
6. Drusila Jesang	F B.COM	25/11/2013	11.00 am
7. Evanson Kimaivo Maiyo	M BSC	25/11/2013	11.30 am
8. Gilbert Kiwa	M M.PHIL, BED	25/11/2013	12.00 noon
9. Gwaha Cherubai Kugun	F BA	25/11/2013	12.30 pm
10. Hemulai Misoy	F BED	25/11/2013	2.00 pm
11. Kiplooo Maiyo	M BSC	25/11/2013	2.30 pm
12. Kiplano Mwendu	M BSC	25/11/2013	3.00 pm
13. Lus Kipluom Kemboi	M BED	25/11/2013	3.30 pm
14. Julius Sima	M BIT	25/11/2013	4.00 pm
15. Kipkemboi Patrick Tororei	M BED	26/11/2013	8.30 am
16. Michael Kipkorir Too	M BA	26/11/2013	9.00 am
17. N'zah Kimeli Tarus	M BA	26/11/2013	9.30 am
18. Peter Naeny	M BA	26/11/2013	10.00 am
19. Philester Jerobon Maiyo	F M.COM, BA	26/11/2013	10.30 am
20. Ronaki Kipchirich Bor	M BSC	26/11/2013	10.30 am
21. Style Kipchumba A. Kessio	M BED, CPA (K)	26/11/2013	11.00 am
4. CHESUMEI			
NAME	ACADEMIC QUALIFICATION	DATE	TIME
1. Barnabas Kibel Too	M BED	26/11/2013	2.00 pm
2. David Kiprono Kemel	M BED	26/11/2013	2.30 pm
3. Edgij Jephkor	F BBM	26/11/2013	3.00 pm
4. Felix Kibwaj Maiyo	M BHM	26/11/2013	3.30 pm
5. Hellen Njoki Alim	F BED	26/11/2013	4.00 pm
6. Henry Kipkosgei Rutto	M BBA	26/11/2013	4.30 pm
7. Julius Kemboi	M BED	27/11/2013	8.30 am
8. Kipchirich Limo	F M.PSC, BA	27/11/2013	9.00 am
9. Lelai Esther Jelagal	F BBA	27/11/2013	9.30 am
10. Lilian Chelimo Baroketuny	F MA, BA	27/11/2013	10.00 am
11. Marceline Chebitok Lettino	F MED, BA	27/11/2013	10.30 am
12. Martha Chepkosgei Mutai	F BA	27/11/2013	11.00 am
13. Ma' Jephkosgei	F M.PHIL, BED	27/11/2013	11.30 am
14. Milcah Jephkemboi Korir	F BED	27/11/2013	12.00 noon
15. Naomi Jelimo	F MBA, B.AGR BUS	27/11/2013	12.30 pm
16. Nelson Kimutai Kosgei	M BBA	27/11/2013	2.00 pm
17. Scholastica Jephkosgei Tuwei	F MED, BED	27/11/2013	2.30 pm
18. Toi Chepkosgei	F BBM	27/11/2013	3.00 pm
19. T'sah Jesang Limo	F CPA (K), BBM	27/11/2013	3.30 pm
20. Wilcan Kiprotich Kogo	M BED	27/11/2013	4.00 pm
5. EMGWEN			
NAME	ACADEMIC QUALIFICATION	DATE	TIME
1. Benjamin Kosgei Bor	M MSC, BSC	28/11/2013	8.30 am
2. Diana Jephkemboi Rotich	F BBM	28/11/2013	9.00 am
3. Dominic Kiplagat Sigei	M BA	28/11/2013	9.30 am
4. Donald Kibel Koros	M BBA	28/11/2013	10.00 am
5. Edwin Bet Kimutai	M BBA	28/11/2013	10.30 am
6. Elsie Chepkosgei Rotich	F MBA, BBM	28/11/2013	11.00 am
7. Elsie Jelagal Maru	F BED	28/11/2013	11.30 am
8. Elizabeth Mazava Isumba	M M.DIV, BA	28/11/2013	12.00 noon
9. Jephkemboi Rotich	M BSC	28/11/2013	12.30 pm
10. Jephkemboi Rotich	F BA	28/11/2013	2.30 pm
11. Jephkemboi Rotich	M BA	28/11/2013	3.00 pm
12. Philip Kipsang Towett	M BED	28/11/2013	3.30 pm
13. Rose J. Manini	F B.COM	28/11/2013	4.00 pm
14. Sammy Maina Keter	M BA	28/11/2013	4.30 pm
15. Silah Kiploo Rono Isaac	M BBM, CPA (K)	28/11/2013	4.30 pm
16. Stella Chepkemboi Rutto	F M.PHIL, BED	29/11/2013	8.30 am
17. Stella Chepkemboi Laigona	F MBA, BED	29/11/2013	9.00 am
18. Teresa Jebitok Maiyo	F BED	29/11/2013	9.30 am
19. William Some Maiyo	M BED	29/11/2013	10.00 am
20. Wilson Kibel	M BSC, BSC	29/11/2013	10.30 am
6. TINDIRET			
NAME	ACADEMIC QUALIFICATION	DATE	TIME
1. Philip Kiplat Blak	M MSC, BSC	29/11/2013	12.00 pm
2. Isaac Kimeli Bwott	M MA, BA	29/11/2013	12.30 pm
3. Henry Kipkorir Tarus	M MBA, BED	29/11/2013	2.00 pm
4. Michael Kiprotich Na'ok	M BA	29/11/2013	2.30 pm
5. Reuben Kiplangat Selim	M M.COM, B.COM	29/11/2013	3.00 pm
6. Michael Kiprotich Na'ok	F BBA	29/11/2013	3.30 pm
7. Joyce Jelagal Busienel	F BSC	29/11/2013	4.00 pm
8. Kiprono Isaac Too	M BSC	29/11/2013	4.30 pm
9. Moses Kmanu Sang	M BSC	29/11/2013	8.30 am
10. Moses Kipkemel Yegon	M BBA	29/11/2013	9.00 am
11. John Kiplanai Lelai	M B.T	29/11/2013	9.30 am
12. Ernest Kipkorir Kurgat	M BBM	29/11/2013	10.00 am
13. Daniel Rutto Bett	M BED	29/11/2013	10.30 am
14. Regina Mwikali Maithya	F BBM	29/11/2013	11.00 am
15. Collins Orage Oloo	M BA	29/11/2013	11.30 am
16. Richard John Omondio Kadindo	M BA	29/11/2013	12.00 noon
17. Chebet Evalyne	F BA, CPA (K)	29/11/2013	12.30 pm

N/B. All interviews will take place in former Kapsabet Municipal council offices. All applicants are expected to report at least 30 minutes before the scheduled time.

SECRETARY
NANDI COUNTY PUBLIC SERVICE BOARD

THE THARAKA NITHI COUNTY GOVERNMENT



Telephone: 064 - 630071
Email: tharakanithicounty2013@gmail.com

P. O. BOX 2-60400
CHUKA

EXPRESSION OF INTEREST

Request for expression of interest for designing, development, maintenance and hosting of official website for Tharaka Nithi County Government.

TENDER NO. TNCG/1/EOI/2013-2014

- Background:-**
Tharaka Nithi County Government intends to design, develop, host and maintain an official county website. The website is intended for communication between Tharaka Nithi County Government and the entire world.
- Objective:-**
The main objective is to develop a user friendly, well designed, clearly structured and professional website that effectively disseminates information on the core mandates and operations of Tharaka Nithi County Government, with ease to use content management system.
- Overview of the scope:-**
 - Design and develop a website interface; the design should be appealing, easy to navigate, professional, and unified to the county theme and feel.
 - Convert existing county content into new website
- Bidder should provide the following information:-**
 - Evidence of having developed existing professional website for an organization
 - Necessary registration and incorporation documents
 - Necessary expertise (copies of technical and professional certificates)
 - Tax compliance certificates

A complete expression of interest document in plain sealed envelope marked "designing & developing of official website for Tharaka Nithi County Government" should be addressed to:

The County Secretary
Tharaka Nithi County Government
P.O. Box 2 - 60400
CHUKA

Or be deposited in the Tender Box situated at old Chuka Municipal Offices so as to be received on or before 28th October 2013 at 12.00 noon

HEAD, SUPPLY CHAIN MANAGEMENT



NATIONAL SOCIAL SECURITY FUND

TENDER NOTICE

PROPOSED CIVIL ENGINEERING CONSTRUCTION WORKS AT NSSF TASSIA PLOTS, NAIROBI

The National Social Security Fund invites sealed Tenders from eligible and competent Contractors for Proposed Civil Engineering Construction Works At NSSF Tassia Plots, Nairobi.

Interested Contractors who must be qualified and registered with The National Construction Authority (NCA) for the following works:- Civil Engineering works, Roads, Electrical Installations, Sewerage and Plumbing works should obtain the Tender documents from the Procurement Office, 9th floor upon payment of Kshs. 1,000.00 non-refundable fee either in cash or bankers cheque payable to National Social Security Fund at cash office Podium Floor, NSSF Building, Block A, Western Wing, Bishops Road Nairobi.

Tenders may also view and download the relevant tender document from the NSSF website <http://www.nssf.or.ke/tenders> provided that they ensure their names are entered in the register at the procurement office before the closing/opening date.

Completed Tender documents shall be submitted in accordance with the instructions therein and addressed to:-

The Managing Trustee
National Social Security Fund
P.O. Box 30599 - 00100
NAIROBI.

The documents should be deposited in the Tender Box on 2nd Floor Block 'A', Western Wing, Social Security House Nairobi on or before 11.00 a.m. local time on 19th November, 2013.

Bids will be opened immediately thereafter in the Seminar Room on 4th floor, Social Security House, Block 'A', Western Wing, Nairobi in the presence of Tenderers representatives who choose to attend.

A pre-tender meeting for interested tenderers is scheduled to be held at 10.00a.m on 29th October, 2013 in the Seminar Room on 4th floor, Social Security House, Block 'A', Western Wing, Nairobi followed by a guided visit to the site.

The NSSF reserves the right to accept or reject any tender either in whole or in part without giving reasons for either rejection or acceptance.

ISO 9001:2008 CERTIFIED

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ISO 9001:2008 Certified

National Social Security Fund
P.O. Box 30599 – 00100 Nairobi

NOTICE TO ALL BUYERS OF TASSIA II & III PLOTS

The National Social Security Fund (NSSF) has been implementing Tassia II & III Regularization Programme which involves re-surveying of all the plots and implementation of Civil Engineering works that include infrastructure design, costing, approval and development. The costs involved in the infrastructure development will be advised to the buyers once approvals and costing are ready.

The Civil Engineering design work was completed in early 2012 and the technical drawings submitted to the then City Council of Nairobi for approval. 90% of the plots have been re-surveyed except for Tassia Resettlement Scheme (Mama Kanyoni) and Tassia East (River Bank) Areas. NSSF plans to complete re-survey of the remaining areas in the next three months.

Unfortunately, it has been noted that a significant number of plot buyers where re-surveying has been completed have deliberately neglected or refused to pay up for their plots.

Buyers in the areas listed below are hereby given Thirty (30) days from the date of this advertisement within which to settle their accounts with NSSF in full. Take notice that on expiry of the said period, the Fund shall invoke its rights under the EVICITION ORDER under CIVIL SUIT NO.529 of 2002 dated 4th March, 2005 and carry out evictions/demolitions without further reference to you.

1.	All that area popularly known as Kwandege Settlement Scheme
2.	All that area popularly known as Fedha Self Help Group Area
3.	All that area popularly known as Jorsim Jua Kali (Kassim Area)
4.	All that area popularly known as Pipeline (Masai Area)
5.	LR. No.97/2292 – 40 Commercial plots thereon
6.	LR. No.97/2659 & 97/2660 - Tassia Market Stalls (formerly school plot)
7.	LR. No.97/2872 - Jesus Fellowship International Church (Bishop Lawi Nyateng)
8.	LR. No.21190/3784 - Redeemed Gospel Church
9.	LR. No.97/2130/057 - Tassia Community Mosque
10.	LR. No.97/490 – Mr. Lee Kimani

Further, land grabbers led by the Local County Representative who have, with great impunity, been erecting structures on public utility plots including recreational areas, road reserves, police post next to quarry, administration block and schools are advised to stop any construction activities forthwith and remove structures erected thereon with immediate effect. Failure to do so will lead to NSSF removing the structures at your cost including but not limited to legal costs, demolition and site clearance expenses, opportunity costs and in addition sue you for court contempt.

The general public is also hereby notified that NSSF has not engaged any person or group of persons to transact on its behalf on matters related to Tassia II & III plots. All transactions on the said plots must therefore receive prior written confirmation and approval from NSSF.

TOM ODONGO, EBS
CEO/MANAGING TRUSTEE

29 May, 2013

ANNEX 4

4

REVISED EVALUATION REPORT FOR TENDER NO. 07/2013-2014: PROPOSED CIVIL ENGINEERING CONSTRUCTION WORKS AT NSSF TASSIA PLOTS

Introduction

The purpose of this tender is to acquire the services of a construction firm to undertake the Proposed Civil Engineering Construction Works at NSSF Tassia Plots.

This is an Open Tender, in which NSSF invited tenders for construction of Proposed Civil Engineering Construction Works at NSSF Tassia plots, Nairobi, through an advertisement in the Daily Nation and Standard Newspaper on 21st October 2013.

Tender documents detailing the requirements were issued to the tenderers upon payment of a non-refundable fee of Kshs.1, 000. Tenderers were advised to submit the completed tender documents in a plain sealed outer envelope enclosing separately sealed envelopes marked 'Original and Copy' on or before 11.00 a.m. local time on 19th November, 2013. This date was however extended to 22nd November vide a notice sent to all bidders.

A pre-tender meeting was held on 29th October, 2013 at 10.00am. Two addenda were issued on 6th November and 13th November, 2013 respectively to clarify some of the issues arising from the pre-tender meeting.

Only ten firms out of the thirty four who bought the tender documents submitted their bids by the closing time as indicated below:-

Bid No	Bidder Name
1.	Njuca Consolidated Company Ltd
2.	Magic General Contractors Ltd
3.	NK Brothers Ltd
4.	China Jiangxi International (K) Ltd
5.	Nanchang Foreign Eng. Co. Ltd
6.	H Young & Company EA Ltd
7.	China Railway No.5 Eng. Group Co. Ltd
8.	China Wu Yi Company Ltd
9.	Parbat Siyani Co. Ltd
10.	Slok Construction Ltd

CONSTRUCTION

Evaluation Committee

The Tender Opening Committee appointed by the Managing Trustee comprised the following members:

<u>Name</u>	<u>Designation</u>	
Peter Muiruri	Manager, IT	Chairman
Mutemi Nzatu	Manager, Property Development	Member
Joel Bwonda	Property Development Officer	Member
Evans Mōturi	Section Head, Expenditure	Member
Daniel Obebo	Loans Officer	Member
Samuel K. Sigei	Loans Officer	Member
Ubah Ibrahim	Procurement Officer	Secretary

The Tender Evaluation committee appointed by the Managing Trustee comprised of all the members of the opening committee except Samuel K. Sigei.

Evaluation Process

The process of evaluation of the Tender was to be undertaken in accordance with the evaluation criteria stipulated in the tender document.

Stage I: Preliminary and Mandatory Evaluation where all requirements set had to be met to qualify for stage two.

Stage II: Technical Evaluation as set out in the evaluation criteria in the Tender Documents (Tenders scoring 75%) qualify for the financial evaluation.

Stage III: Financial Evaluation

Stage I: PRELIMINARY EVALUATION

The Evaluation Committee conducted a preliminary evaluation to determine whether the bidders fully complied with the stated requirements as illustrated in the attached Appendix 1.

Bidder No. 7 *China Railway No.5 Engineering Group* had its name indicated on the outer envelope. According to clause 20.3 of the tender document, the disclosure of the bidder's identity on the outer envelope will not guarantee the anonymity of the bid submission, but this shall not constitute grounds for rejection of the bid.

It was noted that the tender document did not contain the form for Surety Undertaking even though the bidders were required to complete the same. The evaluation committee decided to exclude this requirement from the mandatory requirements during the preliminary evaluation. *Not in tender document*

The committee in consultation with the Procurement unit decided to evaluate the expiry date for the bid bonds using the originally advertised closing date of 19th November 2013 as the start date considering that some of the bidders had already procured bid bonds before the date was extended.

The format of the NCA certificates varied from bidder to bidder with some having more details than others. The committee, through the user unit consulted the National Construction Authority for clarification and established that the certificate for Water Works will suffice for Sewerage while that for Mechanical Installations would suffice for plumbing works. (See Appendix XI)

Three bidders fully complied and therefore met the preliminary and mandatory requirements. (See Appendix I) and qualified to proceed to stage II (Technical Evaluation).

Bid No. Bidder Name

Bid No.	Bidder Name	Comments
4	China Jiangxi International (K) Limited	<ul style="list-style-type: none">Joint Venture with China Jiangxi Corporation for International Economic & Technical CooperationSub-contracted Reliable Electrical Engineers (M) Ltd for Electrical Works
7	China Railway No.5 Engineering Group	<ul style="list-style-type: none">Chinese registered companyNo subcontractors
8	China Wu Yi Co. Ltd	<ul style="list-style-type: none">Chinese registered company with a fully owned Kenyan branchBid submitted by the Chinese companyNo subcontractors

Seven (7 No.) firms did not qualify to proceed to stage II (Technical evaluation) after failing to meet some of the requirements in stage I (preliminary and mandatory requirements) as summarized below.

Table 1: Preliminary and Mandatory evaluation

Bid No.	Bidders Name	Reason(s) for failing mandatory requirements
1.	Njucá Consolidated Company Limited	<ul style="list-style-type: none"> • Did not submit a bid bond. • Submitted only one copy of the tender document and two copies of section 10, Bills of Quantities. • Presented an expired NSSF compliance certificate. It was valid for three months from the date of issue of 18th July, 2012. • Did not submit a sworn affidavit.
2.	Magic General Contractors Limited	<ul style="list-style-type: none"> • Did not submit a bid bond. • Submitted two copies of the tender documents instead of the three required. • Did not submit NSSF Compliance certificate. • Did not submit current NCA 1 registration certificate for civil engineering works, roads, sewer, electrical and plumbing works.

Bid No.	Bidders Name	Reason(s) for failing mandatory requirements
3.	N.K. Brothers Limited	<ul style="list-style-type: none"> Submitted only one copy of the tender document. Did not submit a bid bond. Did not submit the following: NSSF compliance certificate, Tax compliance certificate, Company registration certificate, Sworn affidavit, Current NCA 1 registration certificates for Civil Engineering works, Roads, Sewerage, Electrical and plumbing works.
5.	Nanchang Foreign Eng. Company (K) Limited	<ul style="list-style-type: none"> Did not submit current NCA 1 registration certificate for electrical works.
6.	H Young & Company EA Limited	<ul style="list-style-type: none"> Did not submit a sworn affidavit. Did not submit current NCA 1 registration certificate for sewerage.
9.	Parbat Siyani Company Limited	<ul style="list-style-type: none"> Did not submit a sworn affidavit. Did not submit NCA 1 registration certificate for roads, sewerage, electrical and plumbing works. Did not provide duly signed joint agreement with proposed domestic subcontractors.
10.	Slok Construction Company Limited	<ul style="list-style-type: none"> Did not submit NCA 1 registration certificate for civil engineering works, roads, sewer, electrical and plumbing works.

Note: Detailed analysis of the bids are presented in appendix I

Stage II: Technical Evaluation.

The Three (3 No.) firms were evaluated and assessed on the technical requirements set out in the tender document and graded on a total maximum score of 100 as listed in Appendix II.

This stage was carried out in accordance with chapter 4 sub section 4.6 (b) of Public Procurement and Disposal Manual which in part requires members of an evaluation committee to review and analyze the bidders' documents independently. The total individual scores for the three bidders are as shown below:

Bid No.	Bidders Name	Total Score (100 marks)	Remarks
4.	China Jiangxi International (K) Limited	95.38	Qualified
7.	China Railway No.5 Engineering Group	91.25	Qualified
8.	China Wu Yi Co. Ltd	81.67	Qualified

From the foregoing, M/s China Jiangxi International (K) Ltd, M/s China Railway No.5 Engineering Co. Ltd and M/s China Wu Yi Co. Ltd qualified for the financial evaluation.

FINANCIAL EVALUATION

Three firms M/s China Jiangxi International (K) Limited, M/s China Railway No.5 Engineering Co. Ltd, and M/s China Wu Yi Co. Ltd were subjected to financial evaluation.

Bidder No	Tenderer	Tendered amount	Contract Period (Months)
4	China Jiangxi International (K) Ltd	4,644,897,307.77	22.4
7	China Railway No.5 Engineering Co. Ltd	4,771,325,667.54	18
8	China Wu Yi Co. Ltd	5,565,300,419.00	24

Subsequent to the arithmetic checking, the errors detected led to the adjustments of the quoted tender sum as given in the table below;

Bidder No.	Tenderer	Tendered Sum (Kshs)	Error (Kshs)	Adjusted Tender Sum (Kshs)
4	China Jiangxi International (K) Ltd	4,644,897,307.77	15,729,032.07	4,629,168,275.70
7	China Railway No.5 Engineering Co. Ltd	4,771,325,667.54	135,977,464.32	4,635,348,203.22
8	China Wu Yi Co. Ltd	5,565,300,419.00	37,352,261.00	5,527,948,158.00

Observation on arithmetic errors

China Jiangxi International (K) Ltd

The bidder submitted a tender sum of Kshs. 4,644,897,307.77 (Four billion, Six hundred and Forty Four million, Eight Hundred and Ninety Seven thousand, Three Hundred and Seven shillings and Seventy Seven cents only).

However, on checking their submission, the committee observed that the bidder made an arithmetic error of Kshs.15, 729,032.07 (Fifteen Million, Seven hundred and

Twenty Nine thousand, Thirty two shillings and Seven cents only).The corrected tender sum is Kshs. 4,629,168,275.70. (Four billion, Six hundred and Twenty nine million, One hundred and Sixty Eight thousand, Two Hundred and seventy five shillings and seventy cents only).

China Railway No.5 Engineering Co. Ltd

The bidder submitted a tender sum of Kshs. 4,771,325,667.54 (Four billion, Seven hundred and Seventy One million, Three hundred and Twenty Five thousand, Six hundred and Sixty Seven shillings and Fifty Four cents only).

However, on checking their submission, the committee observed that the bidder made an arithmetic error of Kshs. 135,977,464.32 (One Thirty Five Million Nine Hundred and Seventy Seven Thousand, Four Hundred and Sixty Four Shillings and Thirty Two cents only).The corrected tender sum is Kshs. 4,635,348,203.22. (Four billion, Six hundred and Thirty Five million, Three hundred and Forty Eight thousand, Two hundred and Three shillings and Twenty Two cents only).

China Wu Yi Co. Ltd

The bidder submitted a tender sum of Kshs. 5,565,300,419.00 (Five billion, Five hundred and Sixty Five million, Three hundred thousand, and Four hundred and Nineteen shillings only).

However, on checking their submission, the committee observed that the bidder made an arithmetic error of Kshs.37, 352, 261.00 (Thirty Seven Million, Three hundred and Fifty Two thousand, Two hundred and Sixty One shillings only).

The corrected tender sum is Kshs.5, 527,948,158.00. (Five billion, Five hundred and Twenty Seven million, Nine hundred and Forty Eight thousand, One hundred and Fifty Eight shillings only).

The three bidders were notified of the errors and requested to acknowledge the errors and the revised bid sum. (Appendix IV, V & VI).

All the three bidders acknowledged the errors and accepted the revised bid sums (Appendix VII, VIII & IX)

CLARIFICATIONS TO THE FUND TENDER COMMITTEE

The Fund Tender Committee, at its sitting on 11th December 2013 sought further clarifications from the evaluation committee in response to the initial evaluation report vide a memo ref. SF/A/10/16 VOL.XXV dated 11th December 2013 (See Appendix XII)

DIRECTORSHIP & SHAREHOLDING OF BIDDERS

The tender document only required the bidders to disclose their directorship and the respective shareholding of the directors only, however the committee also noted the principal shareholders for the three companies that qualified for financial evaluation as follows:

Bidder	Directors	Shareholders
China Jiangxi International (Kenya) Limited	Tan Yong Xu Guojian Wang Junqiang Li Zonggen	Tan Yong (11%) Wang Junqiang (1%) China Jiangxi Corporation For International Economic & Technical Cooperation (87%) Peter Ochola (1%)
China Railway No. 5 Engineering Group Limited	Ma Jiangqian Su Wu Yi Guohua Yang Liuqing Li Zigang	China Railway Corporation Ltd (100%)
China Wu Yi Company Limited	Fujian Construction Engineering Group Fujian Coal Industry (Group) Co. Ltd Huang Qiliang Lin Yanqiu Yang Tufa	Fujian Construction Engineering Group (31.5%) Fujian Coal Industry (Group) Co. Ltd (25.06%) Mr Huang Qiliang (0.34%) Mr Lin Yanqiu (0.28%) Mr Yang Tufa (0.27%)

DUE DILLIGENCE ON LOWEST EVALUATED BIDDER

The committee noted the following about the lowest evaluated bidder:

1. **Joint Venture:** There is joint venture agreement between the two companies; China Jiangxi International (Kenya) Limited and China Jiangxi Corporation for International Economic & Technical Cooperation dated 18th November, 2013 signed by both parties. Power of Attorney is also provided on page 159 (See Appendices XIII & XIV)

2. **Shareholding and Ownership:** The bidder fully disclosed the directors and non-director shareholders in the confidential business questionnaire on page 124 (Appendix XV), which was confirmed by a letter from the registrar of companies on page 155 (Appendix XVI) and a registration certificate for China Jiangxi Corporation for International Economic & technical Cooperation on page 12.(Appendix XVII)
3. **Audited Accounts:** The bidder provided audited accounts for both companies on pages 182-375 in the tender document.

PROJECT BUDGET


The committee noted that the initial budget approved by the Board of Trustees on 5th August 2011 was KSh. 3.304 Billion. This was based on the estimates of KSh. 4.5 Billion after scaling back on the scope to exclude civil works within the individual plots.

This was later revised upwards to KSh. 5.053 Billion based on updated Engineers estimate with the original scope including the civil works within the individual plots.

(See Appendix X for details.)

RECOMMENDATION

The committee recommends that the lowest evaluated bidder M/s China Jiangxi International (K) Limited to be awarded the contract for Tender No.07/2013-2014, Proposed Civil Engineering Construction Works at NSSF Tassia Plots, at the adjusted tender sum of Kshs. 4,629,168,275.70. (Four Billion, Six Hundred and Twenty Nine Million, One hundred and Sixty Eight Thousand, Two Hundred, Seventy Five shillings and Seventy Cents only), at their proposed contract period of 22.4 months.

Signed: 
Peter Muiruri (Chairman)


Date: 17/12/2013

Signed: 
Mutemi Nzatu (Member)


Date: 17/12/2013

Signed: 
Evans Moturi (Member)

Date: 17/12/2013

Signed: 
Joel Bwonda (Member)

Date: 17/12/2013

Signed: 
Daniel Obebo (Member)

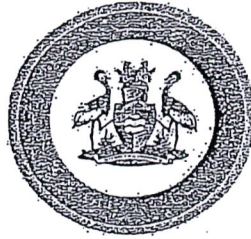
Date: 17/12/2013

Signed: 
Ubah Ibrahim (Secretary)

Date: 17/12/13

ANNEX 5

NAIROBI CITY COUNTY



Telephone: +254 20 2224281
web: www.nairobi.go.ke

City Hall,
P. O. Box 30075-00100,
Nairobi,
KENYA.

CE/3916/SMM/rmm/LR 21190

18th July, 2013.

Multiscope Consulting Engineers Ltd.,
P.O. Box 12012-00100
NAIROBI

**RE: CIVIL ENGINEERING REGULARISATION SERVICES OF
SUBDIVISION, FOR NATIONAL SOCIAL SECURITY FUND,
NAIROBI- PLOT LR 21190 & 21189, TASSIA 11 AND 111,
EMBAKASI.**

Your letter dated 28th November, 2012 under reference MCE/112/NSSFT/Snm/16 and the submitted drawings refers.

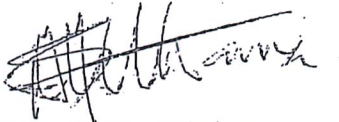
The civil engineering drawings for the road works and surface water drainage in regard to meeting sub-division conditions for plot Lr. 21190 and 21189 are approved as long as you comply with the following conditions before commencement of the works:-

- (a) Submission of drawings for street lighting, road marking and traffic signs for our approval.
- (b) The works to be carried out under supervision and to Nairobi City County adoptive standards.
- (c) Submission of standard details for all road cross-sections to adoptive (premix) standards.
- (d) Submission of road layout drawings at a scale that can be legible, preferably at the scale 1:1000.
- (e) Submission of road layout drawings providing the one-way system on all 9m and 12m wide roads and a public transport route along the 15m wide road with appropriate bus lay bys.

- (f) Submission of the development of a public transport terminus or termini along the public transport routes as per approved sub-division plan.
- (g) Submission of layout drawings for storm water drainage system upto suitable outfalls. Calculations should be provided for justification of storm water drainage system for sizing purposes.
- (c) To ensure that the roads, footpaths and plot accesses are constructed such that they are suitable for use by people with disabilities.
- (d) To ensure that the roads, footpaths and plot accesses are constructed such that they are suitable for use by people with disabilities.
- (e) It is the responsibility of the developer to indemnify Telkom Kenya, Kenya Power & Lighting Company Ltd, Nairobi City County, Nairobi Water Company Ltd and any other service providers against any necessary alteration or damage to existing services attributable in any way to the proposed works.
- (f) The approval granted hereto shall not be prejudicial to our powers as the approving authority to order amendment or revision or revoke the layout design before, during or after construction of the works and without giving reasons thereto.
- (g) Approval of these drawings does not absolve the developers or their agent from any mistakes, misrepresentation of facts or other adverse conditions found on site.
- (h) You shall ensure that all the construction works are completed within twelve months from the date of this approval otherwise the validity of the approval shall be deemed to have expired unless it is renewed.
- (i) To provide as-built drawings after completion of all works on the road reserve detailing the road, and all the underground and overhead services. These should include road furniture, water, drainage, sewerage, data cables, power lines and street lighting.
- (j) The engineering consultants to ensure that all construction materials are tested by the Ministry of Roads materials laboratories or other approved laboratory for compliance with engineering standards.

- (k) Proof of payment of KShs. 11 million being submission fees and inspection fees for the above works.

The work should be carried out as per these approved/stamped drawings. A copy of these drawings will be available for your collection and should be kept at the construction site for ease of reference during inspection.


Eng. S. K. Mburu
For: INTERIM COUNTY SECRETARY

Copy to: Managing Trustee,
National Social Security Fund,
P.O. Box 30599-00100
NAIROBI

ANNEX 6

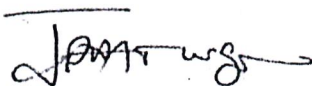
Press Release

(for immediate release)

EMPLOYERS OPPOSED TO THE KSHS. 5 BILLION NSSF TASSIA II PROJECT

Nairobi, 6th January 2014: The Federation of Kenya Employers is opposed to the Kshs. 5 billion Tassia II scheme infrastructure development project by the National Social Security Fund (NSSF). FKE has since written to the Cabinet Secretary for Labour Social Security and Services, The NSSF Board Chairman, the acting NSSF Managing Trustee and all NSSF Trustees stating that the board has not approved the expenditure of Kshs. 5 billion expenditure on the project as claimed.

The Federation has therefore requested the acting NSSF Managing Trustee to convene an urgent board meeting to deliberate on the matter. As far as I am aware, no board resolution has been made to form the basis of the award of a contract on this project. Hence there should be no award of a contract until and unless a formal resolution and approval is granted by the board, if at all, in a formally constituted meeting.



**Jacqueline Mugo, MBS
EXECUTIVE DIRECTOR**

ANNEX 7

NAIROBI CITY COUNTY



Telephone: +254 20 2224281
web: www.nairobi.go.ke

CE/3916/SMM/rmm/LR 21190

18th July, 2013.

Multiscope Consulting Engineers Ltd.,
P.O. Box 12012-00100
NAIROBI

**RE: CIVIL ENGINEERING REGULARISATION SERVICES OF
SUBDIVISION, FOR NATIONAL SOCIAL SECURITY FUND,
NAIROBI- PLOT LR 21190 & 21189, TASSIA 11 AND 111,
EMBAKASI.**

Your letter dated 28th November, 2012 under reference MCE/112/NSSFT/Snm/16 and the submitted drawings refers.

The civil engineering drawings for the road works and surface water drainage in regard to meeting sub-division conditions for plot Lr. 21190 and 21189 are approved as long as you comply with the following conditions before commencement of the works:-

- (a) Submission of drawings for street lighting, road marking and traffic signs for our approval.
- (b) The works to be carried out under supervision and to Nairobi City County adoptive standards.
- (c) Submission of standard details for all road cross-sections to adoptive (premix) standards.
- (d) Submission of road layout drawings at a scale that can be legible, preferably at the scale 1:1000.
- (e) Submission of road layout drawings providing the one-way system on all 9m and 12m wide roads and a public transport route along the 15m wide road with appropriate bus lay bys.

PDO (R)

Note & follow
up with the

City Hall, ~~consider~~
P. O. Box 30075-00100, for
Nairobi,
KENYA.

Header
documents of
recommended
amendment

9/20/13

- (k) Proof of payment of KShs. 11 million being submission fees and inspection fees for the above works.

The work should be carried out as per these approved/stamped drawings. A copy of these drawings will be available for your collection and should be kept at the construction site for ease of reference during inspection.



Eng. S. K. Mburu

For: INTERIM COUNTY SECRETARY

Copy to: Managing Trustee,
National Social Security Fund,
P.O. Box 30599-00100
NAIROBI

APPENDIX IV

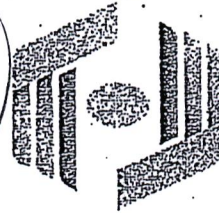
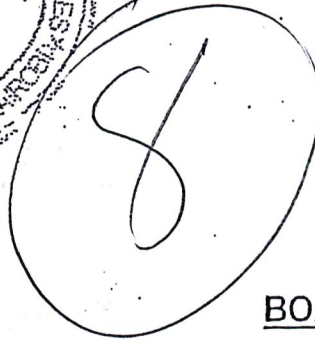
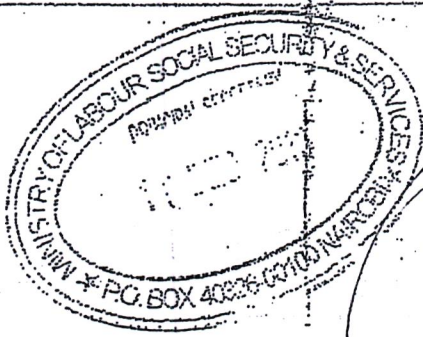


NSSF

BILL OF QUANTITIES SUMMARY

BILL PART	DESCRIPTION	AMOUNT (K&h)
1	General Items	427,881,230.00
4	Site Clearance	38,477,680.00
5	Earthworks	618,204,000.00
7	Excavation for Structures	12,272,000.00
8	Culverts and Drainage	560,584,300.00
9	Passage of Traffic	8,022,500.00
12	Natural Material Sub Base and Base	61,000,000.00
13	Graded Crushed Stone Base	107,160,000.00
15	Bituminous Surface Treatments and Surface Dressings	67,980,000.00
16	Bituminous Mix Bases, Binder Courses and Wearing Courses	328,540,000.00
17	Concrete Works	96,040,760.00
20	Road Furniture	182,064,290.00
22	Dayworks	15,644,772.50
23	Street Lighting	200,000,000.00
24	HIV & AIDS Awareness and Education	6,800,000.00
25	Sewerage	667,560,740.00
26	Water Supply	342,170,057.00
1	SUB TOTAL (1)	3,690,402,529.50
	Add 10% of Sub-total (1) for Contingencies to be expended in whole or in part or deleted entirely by the Engineer in accordance with sub-clause 52(4) and Clause 58 of the Conditions of Contract (2)	363,040,252.95
	Add 10% of Sub-total (1) as Provisional Sums for Variation of Prices in accordance with Clause 70 of the Conditions of Contract	363,040,252.95
2	SUB TOTAL (2)	4,356,483,035.40

ANNEX 8



NSSF
Growing You. For Good

(12)

BOARD PAPER NO. BOT/257/2013

REGULARIZATION OF TASSIA II SCHEME INFRASTRUCTURE DEVELOPMENT

1.0 INTRODUCTION

At the 154th Meeting of the Board of Trustees of National Social Security Fund held on 5th August 2011 the Board approved Kshs.3.304 Billion being the total preliminary cost estimates of infrastructure and payment of Kshs.650,000.00 by plot owners as their contribution towards the cost of infrastructure and related professional services (Appendix I).

The Project Engineer, M/s Multiscope Consulting Engineers Limited had however, submitted to the Fund a Preliminary Design Report and Initial Cost Estimate of Kshs.4.5 Billion but was advised to omit civil works within individual plots to reduce the cost estimates to Kshs.3.3 Billion to cover the cost of main roads, sewer, water reticulation, street lighting and storm water drainage.

Subsequently, the Consultant upon consultation with the then City Council of Nairobi did advise the Fund vide their letter Ref.MCE/112/NSSFT/snm/4 dated 1st March, 2011 (Appendix II) that the likelihood of getting approvals excluding services to individual plots was remote.

Under the circumstances, Management advised the Consultant to proceed and finalize with the comprehensive project designs and submit them for regulatory approvals and thereafter submit a revised cost estimate to the Fund for approval.

2.0 CURRENT STATUS

The Comprehensive Project Designs were finally approved by the Nairobi County Government in July, 2013 (Appendix III & Appendix IV) after which the Consultant submitted to the Fund a revised cost estimate of the project of Kshs.5.053 Billion (Appendix V).

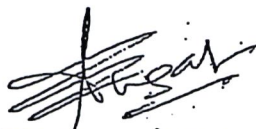
3.0 FINANCING

The project is self financing through sharing of the project cost of Kshs.5.053 Billion by the estimated 5,500 owners on a prorate basis. Collections will be done through the individual Tenant Purchase Scheme accounts once approval is granted.

4.0 ACTION REQUESTED

The Board of Trustees, National Social Security Fund is requested to:-

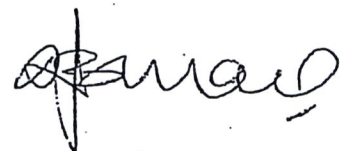
- (i) Note the status of the Tassia II Scheme Infrastructure development.
- (ii) Approve Kshs.5.053 Billion being the revised total cost estimate of infrastructure development and Kshs.920,000.00 per plot to be advised to plot owners as their contribution towards the cost of development and related professional services.



RICHARD K. LANGAT
AG. CEO/MANAGING TRUSTEE

December, 2013

*Approved as
recommended*



18/12/13

ANNEX 9



APPENDIX 9 A

NATIONAL SOCIAL SECURITY FUND

BOARD OF TRUSTEES

SF/ADM/1/19 VOL.II

INVESTMENTS MANAGER**RE: BOARD DECISION**

During a Special Meeting of the Board of Trustees, National Social Security Fund held on 28th June, 2005 the following decision was made for implementation.

SALE OF TASSIA II & II PLOTS

The Board approved sale of plot size 33 X 66 ft at a reserved price of Kshs.315,000 per plot. The plots to be sold on cash basis, and within a maximum contractual period of six (6) months.



NAFTALLO MOCERERE
MANAGING TRUSTEE

c.c. Deputy Managing Trustee
(Finance & Investment)

30th June, 2005

ANNEX 10



NATIONAL SOCIAL SECURITY FUND

BOARD OF TRUSTEES

SF/ADM/4/9 VOL.VII

General Manager

Estates Manager

✓ **Ag. Investments Manager**

Ag. Finance Manager

BOARD DECISIONS

At the 2nd **Audit and Risk Committee** Meeting of the Board of Trustees held on 7 December, 2009 the following decisions were made for implementation.

Insurance Matters

Prepare a detailed report on the advantages and disadvantages of dealing direct with the insurance underwriters and not the brokers for presentation to the Operations and Investments Committee at the meeting to be held on 26 January, ~~2009~~ 2010.

Debt Monitoring

All TPS accounts be activated and proper demand notices be sent failure to which the properties be re-possessed.

Marketing and Sale of Fund Properties

- (i) The Legal Department be involved at the onset of the sale transactions through to finalization. All letters of offer be issued by the Department.



- (ii) All Land and Buildings are to be sold at market prices after valuation by at least two private valuers and Government valuer.
- (iii) Specific duties and functions of the processes be assigned to individuals.

Nyayo Estate Embakasi

- (i) That the money for the 15 houses be remitted within a month or be offered for sale alongside the new houses on sale and at current prices.
- (ii) That bankers who would like to take over the houses do first enter into TPS terms until such time they take over the houses by providing mortgage.
- (iii) In future, all letters of offer both TPS and cash buyers should have given time frames and lapsing clauses for action.

Tassia Estate

The Tenant Purchase Agreement be reviewed and payments for properties be made in full before variations and addendums are executed.

Insurance compensation

TPS tenants be educated on implications of failure to adhere to the terms and conditions of insurance policies including lack of payment of premiums.

Tenant Purchase Scheme Arrears

- (i) Establish a foolproof system eliminating the risks perpetuated internally by NSSF staff.

BOARD OF TRUSTEES



- (ii) A forensic audit of Fund properties being sold be carried out to unearth malpractices.
- (iii) The investments department be restructured to enhance efficiency.
- (iv) The staff who converted 14 plots into tenant purchase sales on NBI/BLK 97/1585 to deny the Fund income be identified.
- (v) A reconciliation of Tenant Purchase properties/houses be carried out.
- (vi) Action on TPS arrears be ranked in terms of impact to the Fund, action officers by name and the given time frames be provided for the Trustees to monitor progress.
- (vii) An independent surveyor be hired to identify unaccounted for plots and houses at Kapsoya Estate Eldoret.
- (viii) That cracks in houses under TPS be repaired as a matter of urgency.
- (ix) The External Audit report on the Fund be presented to the Audit and Risk Committee at the next meeting.

ALEX KAZONGO
MANAGING TRUSTEE

16 December, 2009

ANNEX 11

BOARD OF TRUSTEES



15) Investments Opportunities for July 2011

The purchase of Treasury Bonds at Kshs.1.5 billion was ratified.

16) Investment in BRITAK IPO

Approval was granted for the Investment of Kshs.300 million in the BRITAK IPO.

17) NSSF Pension Scheme Conversion

(i) Approved the absorption by the Sponsor of the Scheme deficit of Kshs.114.2 million as per Actuarial Report of 2010 by transferring East Africa Portland Cement Ltd shares less credit of 8% already paid in the month of July.

(ii) The conversion of the NSSF Pension Scheme from Defined Benefits to Defined contribution was approved.

(iii) Contribution rates be retained at 5% for Staff and 10% for the Sponsor (the NSSF).

(iv) The implication of the 5% and 10% contribution rates on the budget be worked out.

(v) The Trustees of the Scheme will determine the options for members in view of the conversion.

(vi) The Trustees of the Scheme will also, decide on the commissioning of the Actuarial Evaluation of the scheme to determine individual member take on balances from the Defined Benefits before conversion.


ALEX KAZONGO
MANAGING TRUSTEE

5 August 2011

BOARD OF TRUSTEES



7) Nyayo Estate Embakasi Utility Plots

The plots be sold as follows:

- (i) Plot NBI/BLK140/175 to Good Testimony Junior School who currently occupy NBI/BLK140/174 at Kshs.2 million.
- (ii) NBI/BLK140/114 to Shamsher Ltd at Kshs.5 million.
- (iii) Potential buyers be sourced for Plot Nos. NBI/BLK140/2, 3, 4, 115, 117, 290, 291, 328, 329, 479 AND 481.

8) Regularization of Tassia Estate

- (i) The Board approved Kshs.3.304 billion being the total preliminary cost estimates of infrastructure and payment of Kshs.650,000.00 billion by plot owners as their contribution towards the cost of infrastructure and professional services
- (ii) Payment of Kshs.21,153,898.00 to Multi Scope Consulting Engineers Ltd.

9) Investment Policy Statement

The Investment Policy Statement was adopted for signing.

10) Opening of Custodial Services Accounts

The opening of the accounts would be discussed by the Finance, Information Technology & Tender Oversight Committee at the next Committee meeting.

11) Appointment of Fund Managers & Custodians

(i) Property assets would be taken over by Kenya Commercial Bank whilst non property, equities and fixed income securities would be taken over by the Standard Chartered Bank at the initial take on after which an appointment to Kenya Commercial Bank would be done.

(ii) The final service level agreements be signed on 11 August 2011 in the NSSF Board Room and in the presence of the media.

12) NSSF Representation at KCB

Pursue whether the Fund can secure a director's seat in KCB in view of its shareholding.

13) Board Strategy Retreat

(i) A date will be set for the retreat.

14) Outstanding Works on Social Security House Block C and Parking Silo

(i) The lifts be inspected before installation.

(ii) In future the Fund considers countries in Europe that have embraced International Engineering Standards for purchase of lifts.

(iii) The letters of credit (LC) be extended for a further period of one month.



NATIONAL SOCIAL SECURITY FUND

BOARD OF TRUSTEES

SF/ADM/4/9 VOL

General Manager (Investments)

RE: ACTION ON BOARD DECISIONS

At the 154th Meeting of the Board of Trustees National Social Security Fund held on 5 August 2011 the following decisions were made for implementation.

1) NSSF Representation at the National Bank of Kenya

Seek an opinion or clarification from the Governor on prudential guidelines with a view to having Trustees represent the Fund in the Bank at the next Annual General Meeting.

2) Alleged Homicide at Social Security House Nairobi

A meeting be held with the Provincial Police Officer on the progress made on the homicide incident and a status report be provided at the next meeting.

3) Installation of CCTV Cameras at Social Security House Nairobi

The contract be re-negotiated with the contractor and finalized.

4) Kikambala Plots

Progress report be given at the next meeting.

5) Bishops Road Plot – 209/297

(i) The Managing agents be given 7 days deadline to submit bids from prospective purchasers which would be evaluated in addition to those already received.

(ii) The evaluated bidders together with proof of ability to pay be presented to the Social Security, Investments & Strategy Committee for sale to the highest bidder.

(iii) In future invitation bids on sale of land should not be open ended.

6) Mavoko Plots

Approval was granted for sale of plots as follows:

(i) Diplomatic Express Ltd - Plot LR NO.12715/408 at Kshs.16.5 million.

(ii) Airport Housing Co-operative Society Ltd - Plot LR NO. 20219 at Kshs.19 million.

(iii) 7 blocks of plots of ten acres each be sold to Tysons Ltd on behalf of their client and retain one block of 10 acres for the time being.

(iv) Hive off block Nos. 1921, 20208, 20200 and 20185 for sale to staff at Kshs.425,000.00 each per 1/8 of an acre. This is in addition to the approved 123 plots sub-divided from LR 18064.

ANNEX 12

From: Gideon Kyengo
To: Haze Limo
Date: 18/12/2013 18:31
Subject: Re: Fwd: BOT-257-2013: REGULARIZATION OF TASSIA II SCHEME INFRASTRUCTURE DEVELOPMENT

>>> Richard Langat 12/18/2013 6:27 pm >>>

>>> Richard Langat 18/12/2013 6:26:00 pm >>>
As a Trustee, I approve the recommendation.

Richard Langat
Ag. CEO/Managing Trustee

>>> Richard Langat 18/12/2013 6:24:24 pm >>>

>>> Richard Langat 18/12/2013 10:41:19 am >>>
REGULARIZATION OF TASSIA II SCHEME INFRASTRUCTURE DEVELOPMENT

At the 154th Meeting of the Board of Trustees of National Social Security Fund held on 5th August 2011 the Board approved Kshs.3.304 Billion being the total preliminary cost estimates of infrastructure and payment of Kshs.650,000.00 by plot owners as their contribution towards the cost of infrastructure and related professional services.

CURRENT STATUS

The Comprehensive Project Designs were finally approved by the Nairobi County Government in July, 2013 after which the Consultant submitted to the Fund a revised cost estimate of the project of Kshs.5.053 Billion.

FINANCING

The project is self financing through sharing of the project cost of Kshs.5.053 Billion by the estimated 5,500 owners on prorata basis. Collections will be done through the individual Tenant Purchase Scheme accounts once approval is granted.

ACTION REQUESTED

The Board of Trustees, National Social Security Fund is requested to:-

- (i) Note the status of the Tassia II Scheme Infrastructure development.
- (ii) Approve Kshs.5.053 Billion being the revised total cost estimate of infrastructure development and Kshs.920,000.00 per plot to be advised to plot owners as their contribution towards the cost of development and related professional services.

From: Jacqueline Mugo <jmugo@fke-kenya.org>
 To: Richard Langat <langat.r@nssfkenya.co.ke>
 Date: 19/12/2013 10:46
 Subject: Re: BOT-257-2013: REGULARIZATION OF TASSIA II SCHEME
 INFRASTRUCTURE DEVELOPMENT

CC: "info@cotu-kenya.org" <info@cotu-kenya.org>, "p...
 Richard,

I support the proposal given the assurance that it will not pose additional cost to the Fund.

J Mugo

Sent from my iPad

On 18 Dec 2013, at 10:55, "Richard Langat" <langat.r@nssfkenya.co.ke> wrote:

> REGULARIZATION OF TASSIA II SCHEME INFRASTRUCTURE DEVELOPMENT

>

> At the 154th Meeting of the Board of Trustees of National Social Security Fund held on 5th August 2011 the Board approved Kshs.3.304 Billion being the total preliminary cost estimates of infrastructure and payment of Kshs.650,000.00 by plot owners as their contribution towards the cost of infrastructure and related professional services.

>

>

> CURRENT STATUS

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> FINANCING

>

> The project is self financing through sharing of the project cost of Kshs.5.053 Billion by the estimated 5,500 owners on prorata basis. Collections will be done through the individual Tenant Purchase Scheme accounts once approval is granted.

>

> ACTION REQUESTED

>

> The Board of Trustees, National Social Security Fund is requested to:-

>

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>

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>

>

>

> RICHARD K. LANGAT
 > AG. CEO/MANAGING TRUSTEE

>

> December, 2013

>

>

Re: BOT-257-2013: REGULARIZATION OF TASSIA II SCHEME INFRASTRUCTURE DEVELOPMENT

From : fs <fs@treasury.go.ke>

Wed, 18 Dec, 2013 15:46

Subject : Re: BOT-257-2013: REGULARIZATION OF TASSIA II SCHEME INFRASTRUCTURE DEVELOPMENT

To : langat2001@gmail.com

Cc : soi j <soi.j@nssfkenya.co.ke>

MT,

This is to confirm that I am in agreement with the proposal on the above subject matter.

Thank you..

Mutua Kilaka

----- Original Message -----

From: "Richard Langat" <langat.r@nssfkenya.co.ke>

To: info@cotu-kenya.org, jmugo@fke-kenya.org, pslabour@labour.go.ke, fs@treasury.go.ke, adandaud@yahoo.com

Sent: Wednesday, 18 December, 2013 10:41:19 AM

Subject: BOT-257-2013: REGULARIZATION OF TASSIA II SCHEME

INFRASTRUCTURE DEVELOPMENT

REGULARIZATION OF TASSIA II SCHEME INFRASTRUCTURE DEVELOPMENT

At the 154th Meeting of the Board of Trustees of National Social Security Fund held on 5th August 2011 the Board approved Kshs.3.304 Billion being the total preliminary cost estimates of infrastructure and payment of Kshs.650,000.00 by plot owners as their contribution towards the cost of infrastructure and related professional services.

CURRENT STATUS

The Comprehensive Project Designs were finally approved by the Nairobi County Government in July, 2013 after which the Consultant submitted to the Fund a revised cost estimate of the project of Kshs.5.053 Billion.

FINANCING

From: adan daud <adandaud@yahoo.com>
To: "info@cotu-kenya.org" <info@cotu-kenya.org>, "j...
Date: 18/12/2013 11:50
Subject: Re: BOT-257-2013: REGULARIZATION OF TASSIA II SCHEME
INFRASTRUCTURE DEVELOPMENT

MT,

Approved.

Chairman

Sent from Yahoo Mail on Android

ANNEX 13



(9)
SF/ADM/4/9Vol. V

Ag. General Manager,
(Finance & Investment)

ACTION ON BOARD DECISIONS

By circulation, on 18th December, 2013, the Board of Trustees National Social Security Fund made the following decision for implementation.

Regularization of Tassia II Scheme Infrastructure development

The Board approved Kshs.5.053 Billion being the revised total cost estimate of infrastructure development and Kshs.920,000.00 per plot to be advised to plot owners as their contribution towards the cost of development and related professional services.

A handwritten signature in black ink, appearing to read 'Richard K. Langat', written over a horizontal line.

RICHARD K. LANGAT
AG. CEO/ MANAGING TRUSTEE

19th December, 2013

