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SPECIAL AUDIT REPORT

OF THE

AUDITOR-GENERAL

ON THE ACCOUNTS OF THE MINISTRY OF HEALTH

FOR THE

FINANCIAL YEAR 2015/2016

MINISTRY OF HEALTH

NOVEMBER 2017

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LIST OF ABBREVIATIONS

The following abbreviations are used in this report.

Abbreviation	Full Name
AIA	Appropriation in Aid
AGPO	Access to Government Procurement Opportunities
CARA	County Allocation Revenue Act
CTC	County Tender Committee
CRF	County Revenue Fund
GOK	Government of Kenya
HSSF	Health Sector Support Fund
ICT	Information Communication Technology
ICU	Intensive Care Unit
KHSSP	Kenya Health Sector Support Project
KHSP	Kenya Health Sector Program
KEMSA	Kenya Medical Supplies Agency
KRA	Kenya Revenue Authority
LC	Letter of Credit
LPO	Local Purchase Order
MOH	Ministry of Health
MTC	Ministerial Tender Committee
NYS	National Youth Service
PE	Procuring Entity
PFMA	Public Finance Management Act
PFMR	Public Finance Management Regulations
PV	Payment Voucher
PPDA	Public Procurement and Disposal Act
PPOA	Public Procurement Oversight Authority
PSC	Public Sector Comparator
PS	Principal Secretary
SLA	Service Level Agreement
USD	United States Dollar

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1.4 Challenges and Limitations

1.4.1 Out of the total development expenditure of Kshs.13,161,288,345 reviewed, documents supporting transactions of Kshs.3,572,789,462 (27%) were not availed for special audit review. The MOH Management explained that documents supporting transactions amounting to Kshs.820,702,261 (23% of documents not availed) relating to issuance of tenders under AGPO, procurement of portable clinics/ containers and purchase of food rations/supplements were in custody of the Ethics and Anti-Corruption Commission (EACC). Our request to EACC to avail the documents was not successful.

1.4.2 In this regard, the special audit team encountered challenges in an effort to execute and report on this special audit in time for onward submission to the PAC. Further, evidence which could have been obtained from the documents enlisted below would have affected the findings reported here-with. These include:

- Missing records relating to issuance of tenders under Access to Government Procurement Opportunities (AGPO) amounting to Kshs.108,618,317 were not availed for special audit review;
- Missing documentation to support the request and approval of the supplementary estimates amounting Kshs.2,552,087,201, therefore the justification of the supplementary could not be reviewed;
- Missing LPOs, Delivery Notes, Invoice and Inspection Reports for 20 portable clinic containers amounting to Kshs.200,000,000, out of the 100 portable clinic containers contracted to be supplied by M/s. Estama Investment Ltd, only 80 Local Purchase Order (LPOs) were availed for review.
- Missing documents relating to the procurement process and contracts signed with its suppliers of food rations/supplements amounting to Kshs.512,084,944; and
- Missing documents relating to the procurement processes totaling Kshs.200,000,000 for upgrading the Nanyuki District Hospital to a Teaching and Referral Hospital and Othaya County Hospital were not availed.

1.5 Key Findings

Budgets, Revenues and Expenditure of the Ministry

1.5.1 The MoH approved and printed estimates for the financial year 2015/2016 amounted to Kshs.58,121,879,823. This comprised of Kshs.28,519,512,989 for recurrent and Kshs.29,602,366,834 for development spending.

1.5.2 IFMIS records revealed that the original budget of Kshs.58,121,879,823 was later increased to Kshs.60,673,967,024 through an additional supplementary allocation of Kshs.2,552,087,201. Therefore, the MoH had a total budgetary appropriation of Kshs.60,673,967,024 in the financial year 2015/2016.

1.5.3 A total of Kshs.42,552,416,596 was received from the National Exchequer and various sources in the financial year 2015/2016 as follows; recurrent exchequer issues (Kshs.25,147,800,000), development exchequer issues (Kshs.17,019,501,618), grants and foreign borrowings (Kshs.371,046,712), and sale of assets (Kshs.14,068,266).

1.5.4 Records as per IFMIS expenditure reports indicated that the MoH incurred a total expenditure of Kshs.42,582,776,899 for both recurrent and development for the period under review, the financial year 2015/16.

1.5.5 Therefore, the MOH incurred a total expenditure of Kshs.42,582,776,899 of which Kshs.25,139,555,873 related to recurrent expenditures, and Kshs.17,443,221,026 related to development expenditures. The expenditures were incurred against recurrent and development exchequer issues of Kshs.25,147,800,000 and Kshs.17,019,501,618 respectively. The spending were also financed with foreign borrowings of Kshs.371,046,712 and AIA collections of Kshs.14,068,266.

Areas of focus for the Special Audit

1.5.6 The aforementioned expenditure allocation informed on the areas of focus for the special audit. Therefore a risk assessment of the resources at risk was conducted and a sample of payments amounting to Kshs.13,700,446,912, out of the total Ministry's development exchequer issues of Kshs.17,019,501,618, were identified for review in order to answering to the ToRs. These are as detailed below:

Specific projects reviewed	Financier	Amount incurred (Kshs)	% of total MoH Development Expenditure
Purchase of Portable Clinics	GOK	800,000,000.00	5
Lease of Medical Equipment System	GOK	4,568,544,207.00	27
Purchase of Medicines & Food Rations/Supplements	GOK	512,084,944.00	3
Construction works at Nanyuki, Lamu, Bungoma and Othaya County Hospitals	GOK	600,000,000.00	4
Free Maternity Funds disbursed to Hospitals	GOK	4,256,158,560.00	25
Disbursements by Development Partners	Various	2,963,659,201	16
Total		13,700,446,912	80

1.5.7 The issues represented sample population of 80 per cent of the total development costs by the Ministry. The risk assessment process considered financial materiality and media allegations on financial mismanagement of the projects i.e. published materiality. Lease of Medical Equipment System, Free Maternity Funds and Disbursement of by Development Partners were identified based on financial materiality. The rest of the projects were selected based on published materiality. The Special Audit did not review recurrent expenditure as they were not specifically identified as a concern of the PAC.

Procurement process for goods and services

Annual Procurement Plan

1.5.8 The special audit established that all items in the procurement plan had been budgeted for by the MOH.

Access to Government Procurement Opportunities (AGPO)

1.5.9 Only 24 per cent of planned procurement of common user items were allocated to Micro and Small Enterprises owned by Youth, Women and Persons with Disability under

the AGPO programme. This is against the Treasury Circular No.14/2013 of 25 September 2013 and Section 31(1) of the Public Procurement and Disposal Preference and Reservations Amendment Regulations, 2013 that require a minimum of 30 per cent threshold to be allocated to this group.

Portable Clinics (Container)

1.5.10 The MOH procured one hundred (100) portable clinics from M/s. Estama Investments Ltd at a contract price of Kshs.1,000,000,000. These items were procured but were not factored in the annual procurement plan for the financial year 2014-2015 as per Section 26(3) (a) of the PPDA, 2005. The special audit further noted that the evaluation committee's report did not include the individual evaluator's scores which is a requirement under to Section 16 Sub-section 10 (c) of the Public Procurement Regulations, 2006 (PPR, 2006).

1.5.11 The MOH initiated procurement process for portable clinics without evidence of availability of sufficient funds which is a requirement under to Section 26(6) of the PPDA, 2005. The Ministry had only committed funds totaling Kshs.200,000,000, in the financial year under review 2015/16 when the process was initiated, which was 20 per cent of the total cost of the tender of Kshs.1,000,000,000. This Ministry noted since agreement was a multi-year contracts, as at 30 June 2016, M/s. Estama Investment Ltd had been paid a total of Kshs.800,000,000.

1.5.12 Based on the aforementioned, the MOH reallocated funds from other programmes; Kshs.200,000,000 and Kshs.600,000,000 from the Family Planning Maternal & Child Health Programme and Medical Equipment Services respectively, towards payment for portable clinics without approval from the National Treasury.

1.5.13 Further, a supplementary budget allocation of Kshs.270,000,000 for purchase of portable clinics in the financial year 2015/2016 was used to partly finance an expenditure of Kshs.281,985,005 for supply of laboratory consumables and blood bags which do not relate to portable clinics without approval from the National Treasury.

1.5.14 As at the time of completion of the special audit, the portable clinics had not all been put to any use and were held-up at the National Youth Services (NYS) Yard in Miritini-

Mombasa. The special audit noted physical wear and tear of the containers and were uncertain of the content of the containers as they were inaccessible for verification.

1.5.15 There was no evidence that the portable clinics had been planned for in the annual procurement for the financial year 2015/16, although, there was indications that it was envisioned to be a multi-year contract. Several months after they had procured, they had not been delivered to the planned sites at the Counties and thus not been put to effective use.

1.5.16 Further, the MOH only availed LPOs for 80 out of 100 containers. The special audit could not therefore establish the whereabouts of LPOs, delivery and inspection reports for 20 containers. The MOH should start deriving public value from these assets by putting them to use.

Medical Equipment Services (MES)

Project conceptualization and legislative frameworks

1.5.17 The special audit noted that the MES Project was guided by various legislative frameworks including; the Constitution of Kenya, 2010 that established two level of Governments, the County Allocation Revenue Act, 2015 (CARA), Public Procurement and Disposal Act, 2005 and its Regulations of 2006, and the Health Sector Policy 2014. Section 1.4 of the said Policy provides for Public Private Partnership (PPP) as a form of financing health projects.

1.5.18 Further, the MES Concept Paper highlighted that the project was to be implemented through long-term lease arrangements for medical equipment as per the PPP Act, 2013 through a model of delivery of "Build-Lease-Transfer". A PPP Unit report of October 2014, noted that this was approved by the PPP Unit to be implemented as a PPP by the MOH. The MOH however adopted the Managed Equipment Service (MES) model which required for outsourcing of all aspects of medical equipment to third party companies that specializes in providing the type of service required.

1.5.19 A review of CARA, 2015 indicated that an amount of Kshs.4,500,000,000 was allocated as an additional conditional budgetary allocation to the forty-seven (47) County Governments for leasing of Medical Equipment (translating to Kshs.95,744,680.85 per

County) in accordance with Article 202 of the Constitution that allows for additional allocation of National Government revenue to County Governments.

1.5.20 The special audit noted that these funds were approved in the budget estimates of the National Government of 2014/15 to facilitate technical assistance at County Health Facilities as per Schedule 6 Part 4 Section 15 (2) of the Constitution. The special audit noted that only Bomet County had not consented/signed the Memorandum of Understanding (MoU) under this arrangement with the National Government with regard to MES. There was representation from all other County Governments.

Project Identification and Planning

1.5.1 The special audit noted that MOH undertook a National Assessment to ascertain readiness of Counties in providing specialized health care services by comparing existing capacity of the medical facilities to norms and standards developed by the MOH to determine gaps. The findings of the assessment identified staffing, infrastructural and equipment as challenges that hindered provision of quality healthcare services in Counties in the Country.

Financing Arrangements and Pricing of the Equipment

1.5.2 The MOH procured financial and legal consultants to provide technical support for MES project. The financial consultant conducted a financial analysis to justify the choice of MES over direct purchase. M/s. PKF Kenya, in association with M/s. SPA Infosuv Africa Ltd was engaged for this financial consultancy service.

1.5.3 M/s. PKF Kenya developed a Public Sector Comparator (PSC) to compare the much Government would spend if it directly purchased the equipment from the market. These figures were compared to amounts quoted by prospective MES providers to ascertain the best prices that would provide value-for-money to the Government. According to the report, contractors who quoted amounts less than the PSC were considered responsive.

1.5.4 The PSC for each of the seven lots of equipment were as shown below.

Lot No	Items	Contract Amounts (USD)	Outright Purchase price (USD)
1	Theatre Equipment	45,991,450.00	77,770,105.00
2	Theatre, CSSD Equipment	88,027,973.32	88,368,888.00
3	Laboratory Equipment (Category 1)	29,964,830.00	49,754,399.00
4	Laboratory Equipment (Category II)	Non-responsive	78,697,122.00
5	Renal Equipment	23,691,059.00	34,259,165.00
6	ICU Equipment	36,492,176.68	51,268,663.00
7	Radiology Equipment	238,279,499.00	440,526,360.00

1.5.5 The engagement of M/s. PKF Kenya, in association with M/s. SPA Infosuv Africa Ltd was through a restricted tendering method at a contract price of Kshs.9,634,960. Records availed indicated that a total of Kshs.4,335,732 had been paid to M/s. PKF Kenya for provision of financial consultancy services. The MOH also engaged M/s. Iseme, Kamau and Maema Advocates (IKM) as the Legal Transaction Advisors through direct procurement at a contract sum of USD 560,000 citing urgency as justification for both of the direct procurements.

1.5.6 The special audit could not justify the urgency cited as a basis of using direct procurement, since procurement of legal services would have been foreseen at project initiation level and planned for adequately to allow for a competitive bidding process. Further, while the use of restricted tendering method was approved by the MTC as required under Section 29(3) (a) of PPDA, 2005, the Ministerial Tender Committee (MTC) did not record in writing the reason for using restricted tendering contrary to Section 29(3) (b) of the PPDA, 2005.

1.5.7 The special audit established that the MOH engaged the following contractors through an international tender to supply various categories of Medical Equipment:

Lot Number	Items	Number of bidders	Successful bidder	Contract price (USD)
1	Theatre Equipment	8	M/s. Shenchen Mindray Biomedical Electronic Co	45,991,449.78
2	Theatre, CSSD Equipment	8	M/s. Esteem Industries Inc	88,027,973.32
3	Laboratory Equipment (category 1)	5	M/s. Sysmex Eorope GMBH	29,964,830.00
4	Laboratory Equipment (category 2)	2	All bidders were non-responsive	No award
5	Renal Equipment	2	M/s. Bellco ltd	23,691,059.00
6	ICU Equipment	1	M/s. Philips Medical System	36,492,176.68
7	Radiology Equipment	5	M/s. General Electric East Africa Services	238,279,502.00
	Total Bidders	31		

1.5.8 Records availed by the MOH established that as at the time of completion of the special audit, only 4 Lots winners of the MES project had been paid as follows:

Lot Number	bidder	Amount (USD)	Amount (Kshs)
1	M/s. Shenchen Mindray Biomedical Electronic Co	2,825,765.01	281,592,142.20
2	M/s. Esteem Industries Inc	7,607,601.65	768,156,046.00
3	M/s. Bellco Ltd	3,024,670.08	292,031,424.60
4	M/s. General Electric East Africa Services	6,960,000.00	740,603,040.00
	Total	20,418,036.74	2,082,382,652.80

1.5.9 Payment vouchers for the above payments were supported with completion certificates signed by Mr. Morang'a Morekwa - Chairman of the MES Project Implementation Committee instead of Inspection and Acceptance Committee Reports.

Purchase of Food Rations/Supplements

1.5.10 The MOH Management did not avail documents relating to the procurement process for food rations and supplements amount to Kshs.507,793,050, other than LPOs and payment vouchers. In the absence of these records, the special audit could not establish the number of bidders who participated in the bid and whether or not the process complied with public procurement laws and regulations.

1.5.11 A review of payment records established that the MOH paid Kshs.507,793,050 to two firms: M/s. Life Care Medics Ltd and M/s. Sundales International Limited for supply of food ratios/supplements. An independent circularization at Department of Registrar general established that although the Company had been registered on 12 September 2013, it had not filed its returns. It was also established that M/s.Life Care Medics Ltd had been registered on 05 September 2007. The special audit confirmed that the food rations were then distributed to health facilities within the 47 County Governments.

Construction Works at Bungoma County Hospital

1.5.12 Construction and upgrading of Bungoma County Referral Hospital was initiated as a Presidential Directive following the President's visit to the County. Subsequently, Kshs.100,000,000 was allocated in the MOH supplementary budget for financial year 2015/16 for expansion and equipping of the County Referral Hospital following the aforementioned Presidential Directive.

1.5.13 Bungoma County government awarded three contracts for the upgrading of the Bungoma County Referral Hospital as detailed below;

	Project	Contractor	Contract Sum (Kshs)	Amount Paid (Kshs)
1	Renovation of Bungoma County referral Hospital	M/s. M'BIG Ltd	66,202,731.20	28,839,582.40
2	Erection and Completion of Casualty Complex and External work	M/s. Two Calves Investments Ltd.	70,659,329.00	17,715,079.20
3	Construction of perimeter fence for Bungoma County Referral Hospital	M/s. Lunao Enterprises.	53,294,758.40	25,190,316.40
	Total		190,156,818.60	71,744,978.00

1.5.14 As at the time of completion of this special audit, construction works were still on going.

Construction works at King Fahd Hospital - Lamu County

1.5.15 The project also commenced following a Presidential Directive and involved the construction of emergency operating theatre/Renal/ICU at King Fahd Hospital, Lamu County to facilitate upgrading of the hospital to a Level-5 Hospital at an estimated cost of Kshs.178,979,068. The National Government through the MOH provided a

special purpose grant of Kshs.100,000,000.00 through Lamu County Revenue Fund A/c. No. 1000242857 for purposes of executing the Presidential Directive.

1.5.16 Lamu County Government engaged M/s. Centurion Engineers & Builders at a cost of Kshs.96,736,439.48 for the construction works. As at the time of special audit, construction work was complete and awaiting installation of equipment under the MES project. The constructed complex comprised the Accident & Emergency, Outpatient and Theatre on the ground floor and ICU and Renal Units on the first floor. A total of Kshs.106,336,977.51 had been paid to the contractor.

Construction works at Othaya Sub-County Hospital

1.5.17 A total Kshs.196,865,374.00 had been paid and charged on Othaya Sub-County Hospital Budget.

1.5.18 However, the MOH did not avail documents relating to procurement process for construction works. Consequently, the special audit could not confirm whether or not the process complied with the Public Procurement Laws.

Free Maternity Fund

1.5.19 Free Maternity Fund programme operated on re-imbursement basis. The programme is managed through the District Health Information System (DHIS) that integrates health systems at the MOH and the County Governments.

1.5.20 The re-imbursement rate per delivery depends on the level of the hospital. Levels 4 & 5 hospitals are reimbursed at a rate of Kshs.5,000 per delivery while level 2 & 3 are reimbursed at a rate of Kshs.2,500 per delivery.

1.5.21 An amount of Kshs.4,298,000,000 was allocated in the County Allocation Revenue Act 2015 (CARA, 2015) as a conditional grant for Free Maternal and Child Health Care programme.

1.5.22 Out of this amount, a total of Kshs.3,647,070,000 was noted to have been disbursed by MOH to County Governments. The balance of Kshs.609,088,560 had been incurred on expenditures not related to free maternity programme as follows:

	Particulars	Amount (Kshs.)
1	Payments to M/s. Estama Investments Ltd. for supply of 20 portable clinics.	200,000,000
2	Payments for supply of hospital supplies, goods and services	409,088,560
	Total	609,088,560

1.5.23 There was no evidence that the aforementioned payments were reallocated with the approval of the National Treasury.

1.5.24 During field inspection to County hospitals, it was established that there was no policy or Standard Operating Procedures governing the Free Maternal and Child Health Care Programme. It was further noted that the MOH and County Governments do not reconcile records relating to deliveries and amounts paid which put at risk of misappropriation a total disbursement of Kshs.3,647,070,000.

Disbursement of Development Partner Funds for MOH Programs

1.5.25 The Ministry of Health had been allocated funding amounting to Kshs.13,739,891,875 by various Development Partners for spending through Appropriations-in-Aid, direct disbursements to the Ministry and allocation to the County Governments. However, actual disbursements were as detailed in the table below:

	Donor	Amount (Kshs.)
1	East Africa Public Laboratory Networking Project (EAPHLNP)	292,866,480
2	Health Sector Support Project-HSSP III	366,850,000
3	Kenya Italy Debt Project (KIDP)	187,960,000
4	Global Fund TB	274,924,525
5	Global Fund	251,640,285
6	ADB EA	30,061500
7	Global Malaria	312,916,693
8	IDA -Health Sector Support Project -HSSP Project	835,563,462
9	Kenya Health Sector Support Project-KHSSP Danida	188,883,815
10	Global Fund-HIV/AIDS	696,590,614
11	IDA East Africa Public Laboratory Networking Project - EAPHLNP	191,852,715
12	DANIDA -HSSP III	277,000,000
13	IDA -KHSSP	1,372,871,590
	Total	5,279,981,679

1.5.26 The above Development Partner funds were duly audited through the annual statutory audit of the Ministry for the financial year 2015/16, and a report issued on the same. Further, these funds were routinely subjected to oversight by the respective Development Partners through their internal control and annual audit processes.

1.5.27 In order obtain some level of assurance, the special audit reviewed amounts disbursed by Development Partners totaling Kshs.2,963,659,201, with a view of testing controls over management of the funds.

1.5.28 Out of the sample, there was no evidence of financial loss of these Development Partners funds.

1.5.29 The special audit however noted procedural infractions for specific sampled Development Partner component funding, where the MOH disbursed a total of Kshs.508,245,204 under the Health Sector Support Fund (HSSF) to twenty-one (21) County Governments pursuant to Section 5(2) (a) of the County Allocation Revenue Act, 2015. HSSF Programme was aimed at empowering communities to take charge of improving community health by providing direct cash transfers to Hospital Management Services Fund (HMSF).

1.5.30 Out of the twenty-one Counties, the special audit visited three Counties; Kilifi, Narok and Migori. It was established that all the funds were still held in the respective County Revenue Funds as at 30 June 2016. This was attributed to absence of a Memorandum of Understanding (MoU) with the Ministry of Health to give terms and conditions of how the funds will be utilized. This gave an expectation that all other County Governments should still be holding the funds in the absence of such an MoU.

1.6 Managerial Responsibilities

The following were observed during the audit:

Irregularity	Risk/ Law violated	Amount involved(Kshs)	Responsible person	Remarks
Allocation of only 24 per cent of 2015/2016 planned procurement of GOK common user items for purpose of procuring goods/services under the AGPO	Treasury Circular No. 14/2013 of 25 September 2013 and section 31(1) of the Public Procurement and Disposal Preference and Reservations Amendment Regulations, 2013 that requires PE to allocate a minimum of 30 per cent of procurement spent to micro and small enterprises owned by youth, women and persons with disability.	Not applicable	Head of Supply Chain Management Department	Failure to comply with GoK Finance and Procurement Regulations
Failure to perform individual evaluation scores in the evaluation report for a tender worth Kshs.1,000,000,000 for portable clinics	Section 16 sub-section 10(c) of the Public Procurement Regulations, 2006.	1,000,000,000	The evaluation committee that adjudicated the tender The Head of Supply Chain Management Department	Failure to comply with GoK Procurement Regulations
Initiation of procurement process for portable clinics without evidence of sufficient funds	Section 26(6) of the PPDA 2005	1,000,000,000	The Accounting Officer The Head of Supply Chain Management Department	Failure to comply with GoK procurement regulations
Initiating procurement process for portable clinics without including the item in the 2014-2015 annual procurement plan contrary to Section 26(3)	Section 26(3) (a) of the PPDA,2005 that requires all public procurements to be planned through an annual procurement plan.	1,000,000,000	The Head of Supply Chain Management Department.	Failure to comply with GoK Procurement Regulations.

Irregularity	Risk/ Law violated	Amount involved (Kshs)	Responsible person	Remarks
(a) of the PPDA, 2005				
Failure by the MTC to justify reasons for using restricted tendering method in procuring a Financial Consultant for Leased Medical Equipment Services.	Section 29(3) (b) of the PPDA, 2005 that requires procurement entities to record in writing reasons for using alternative procurement procedures	Not applicable	MTC that adjudicated the tender	Failure to comply with GoK Procurement Regulations
Reallocations of Kshs.200,000,000 and Kshs.600,000,000 from the Family Planning programme and Medical Equipment Services respectively towards payment for portable clinics as per Section 48(1)(e) of PFMR, 2015	Allocations earmarked by the National Treasury be used for a specific purpose not for other purposes, except with National Treasury's approval.	800,000,000	The Accounting Officer The Head of Finance	Failure to comply with PFMR
Utilization of Kshs.270,000,000 allocated for portable clinics to finance other expenditure.	Allocations earmarked by the National Treasury be used for a specific purpose not for other purposes, except with National Treasury's approval.	270,000,000	The Accounting Officer The Head of Finance.	Failure to comply with PFMR
Failure to avail documents relating to Procurement of food supplements	Ineffective internal control environment that signifies poor governance	507,793,050	The Head of Procurement	Poor governance
Re-allocation of Kshs.609,088,560 for Free Maternity Programme	Allocations earmarked by the National Treasury be used for a specific purpose not for other purposes, except with National Treasury's approval.	609,088,560	The Accounting Officer	Failure to comply with PFMR
Absence of Memorandum of Understanding between MOH and County Government on Management of HSSF Funds	Ineffective internal control environment that signifies poor governance	508,245,204	The Accounting Officer	Poor governance

1.7 Conclusion and Recommendations

1.7.1 The MOH incurred a total expenditure of Kshs.42,582,776,899 of which Kshs.25,139,555,873 related to recurrent expenditure while Kshs.17,443,221,026 related to development expenditure. The special audit reviewed payments amounting to Kshs.13,700,446,912, out of the total Ministry's development exchequer issues of Kshs.17,019,501,618, for purposes of answering to the ToRs.

1.7.2 The risk assessment process considered materiality of the expenditure in terms of amounts (financial materiality) and media allegations on financial mismanagement of the projects (published materiality). Based on the sample reviewed, this special audit noted that there was no evidence of financial loss, however, funds amounting to Kshs.2,679,088,560 were found to have procedural infractions as detailed in the table below:

Issue	Amount (Kshs)	Project/Programme
Violation of various provisions of PPDA, 2005 and PPR, 2006.	1,000,000,000	Portable clinics/containers
Utilization of funds without approvals from the National Treasury.	879,088,560	Free Maternity Fund
Re-allocation of funds without approvals from the National Treasury.	800,000,000	Family Planning and Medical Equipment Services
	2,679,088,560	

The special audit further noted that:

1.7.3 There were no Policies or Standard Operating Procedures governing The Free Maternal and Child Health Care Programme at the County Referral Hospitals. Therefore, appropriate Standard Operating Procedures should be developed to guide management on implementing these Programmes.

1.7.4 There were no reconciliations of funds disbursement by the MOH and the records maintained by respective County Referral Hospitals. MOH should institute periodic reviews and perform reconciliation of records between the MOH and beneficiary Hospitals. Further, the MOH should also keep proper records of all inter borrowings

and obtain requisite approvals as provided in the PFMR, 2015. This calls for training and capacity building of staff on the provisions of the PFMR, 2015.

1.7.5 The absence of an MoU between MOH and County Governments on Management of HSSF funds disbursed by World Bank/IDA/DANIDA to Counties through MOH resulted in failure by the respective Counties to utilize the HSSF funds. The MOH should finalize the MoUs with County Government to define an effective control environment for management of the HSSF funds.

1.7.6 The MOH should improve on its records management procedures or automate its records to provide a trail and chain of custody of crucial documents at the Ministry. This was attributed to the fact that most documents requested for the special audit were not availed either in time or at all. The special audit team was informed that most of the documents were in possession of other oversight institution(s), especially the Ethics and Anti-Corruption Commission.

1.7.7 Whereas the special audit has no basis to doubt the spirit of the Presidential Directive for construction works at both King Fahd Hospital in Lamu County and Bungoma County Referral Hospital, it is equally important that such directives be backed up through a signed authority, in compliance with Article 135 of the Constitution.

1.7.8 In addition to the aforementioned infractions related to procurement and financial management which may not have direct financial implications, the MOH should strengthen its procedures by putting in place robust internal controls and following due processes as required by the Public Finance Management, the Public Procurement and Disposal legislative frameworks, the Constitution of Kenya, the County Government legislative frameworks and all other relevant Circulars as applicable to the Ministry and in strict adherence when executing their mandate.

FCPA EDWARD R. O. OUKO, CBS
AUDITOR-GENERAL

30 NOVEMBER 2017

2. DETAILED APPROACH AND METHODOLOGY

2.1 Scope of work

2.1.1 The special audit covered the terms of references stated by the Public Accounts Committee in a letter referenced NA/DCS/PAC/2016/261 dated 22 November 2016.

2.1.2 The scope involved inspection and analysis of documents and information provided by the management of the Ministry of Health for the period 01 July 2015 to 30 June 2016 in the following areas:

- Budgeting and procurement planning;
- Revenue collections and management;
- Payments/ Expenditure incurred by Ministry;
- Procurement process for goods and services; and
- Status of projects.

2.2 Risk Assessment and identification of sample population

2.2.1 The MOH incurred a total expenditure of Kshs.42,582,776,899 of which Kshs.25,139,555,873 related to recurrent expenditures while Kshs.17,443,221,026 related to development expenditures.

2.2.2 The special audit conducted a risk assessment and identified and reviewed payments amounting to Kshs.13,161,288,345, out of the total Ministry's development exchequer issues of Kshs.17,019,501,618, for purposes of answering to the ToRs.

2.2.3 The risk assessment process considered materiality of the expenditure in terms of amounts (financial materiality) and media allegations on financial mismanagement of the projects (published materiality).

2.2.4 The projects identified and considered for this special were:

Table 1: Projects identified for the sample

Specific projects reviewed	Financier	Amount incurred (Kshs)	% of total MoH Devlpt Expenditure	Basis of selection/materiality
Purchase of Portable Clinics	GOK	800,000,000	5	Publicity
Lease of Medical Equipment System	GOK	4,568,544,207	27	Financial
Purchase of Medicines & Food Rations/Supplements	GOK	512,084,944	3	Publicity
Construction works at Nanyuki, Lamu, Bungoma and Othaya County Hospitals	GOK	600,000,000	4	Publicity
Free Maternity Funds disbursed to Hospitals	GOK	4,256,158,560	25	Financial
Disbursements by Development Partners	Various	2,963,659,201	16	Financial

2.3 Objectives

2.3.1 The Objectives of the audit was to review utilization funds of public funds at Ministry of Health to ascertain any loss/ misappropriation and provide recommendations on action to be taken.

2.4 Source of information and audit procedures

We obtained information based on the following audit procedures:

2.4.1 **Document examination:** The following documents were reviewed in the course of the audit.

- The MOH cash book for financial year 2015/2016;
- Approved budgets for financial year 2015/2016;
- Tender Processing Minutes for various goods/services procured in the financial year 2015/2016;
- Schedule of expenditures/disbursements made for financial year 2015/2016; and
- Payment vouchers for various goods/services procured in financial year 2015/2016.

2.4.2 Data analysis: of information generated from the Ministry's financial records

2.4.3 Interviews: Key members of staff from finance, accounts, procurement and administration were interviewed as a way of gathering information. Officers interviewed during the special audit were identified depending on the role they played as indicated below:

Table 2: List of persons interviewed

No.	Name	Designation	Date interviewed
1	Dr. Peter Munywa	Chief Officer, Health Nyeri County	29 May 2017
2	Ms. Vivian Sereti	Head of Health and Sanitation Department Narok County	29 May 2017
3	Dr. Tomothy Panga	Chief Officer, Health Laikipia County	31 May 2017
4	Mr. Peter Odundo	Chief Officer Finance, MOH	02 June 2017
5	Mr. Joseph Nyamora	Ag. Chief Officer Health Narok County	05 June 2017
6	Mr. Abubakar Mohamed	Chief Officer Health Lamu County	06 June 2017
7	Mr. Athuman Abubakar	Chief Officer Finance Lamu County	07 June 2017
8	Dr. Zachariah Yaheh	Medical Superintend Lamu (King Fahad) Hospital	07 June 2017
9	Dr. Dalmas Oyugi	Chief Officer, Health Migori County	08 June 2017
10	Dr. Tomothy Malingi	Chief Officer, Health Kilifi County	13 June 2017
11	Mr. Robert Simiyu	Chief Officer, Health Bungoma County	14 June 2017
12	Hon. Binti Omar	CEC Health Mombasa County	19 June 2017
13	Mr. Collins Omondi	Accountant, Department of Health, Kisumu County	20 June 2017
14	Dr. Peter Kimuu	Head of Policy Planning and Health Financing, MOH	01 August 2017
15	Dr. Izaq odongo	Head of Curative and Rehabilitative Services, MOH	01 August 2017
16	Mr. Stephen Matiba	Senior Public Health Officer, MOH	01 August 2017
17	Mr. Peter Mwangi	Head of Supply Chain Management, MOH	02 August 2017
18	Mrs. Joyce Mutugi	Head of Accounting Unit, MOH	02 August 2017

3. DETAILED FINDINGS

3.1 Budgeting and procurement planning

Budget making process

3.1.1 Budget making process in Kenya is guided by the Constitution of Kenya 2010 and the Public Finance Management Act 2012 (PFMA, 2012).

3.1.2 The special audit established that the MOH Budgets for 2015/2016 financial year were in two forms; Printed estimates and Supplementary estimates as provided for in Article 220(1) of the Constitution of Kenya, 2010 and the PFMA, 2012.

a) Printed Estimates

3.1.3 Printed estimates refer to the original budgets as approved by the National Assembly.

3.1.4 It was established that printed estimates submitted by the MOH to the National Treasury indicated both Recurrent and Development expenditure as provided for in Article 220 of the Constitution of Kenya.

3.1.5 Pursuant to Article 221 of the Constitution of Kenya and Section 37(9) of PFMA, 2012, the National Assembly approved the Budget estimates and an Appropriation Act assented to by H.E the President of the Republic of Kenya on 30 June 2015.

3.1.6 The approved printed estimates for the MOH for year 2015/2016 referred to as "printed estimates "were as summarized below and detailed in Appendices I and II:

Table 3: Printed Estimates for the Ministry of Health for 2015/2016 financial year

	Budget item	Amount (Kshs)	Appropriation in Aid (Kshs)	Total in Kshs.	Appendix
1	Recurrent expenditure	24,541,636,512	3,977,876,477	28,519,512,989	I
2	Development expenditure	19,648,428,814	9,953,938,020	29,602,366,834	II
	Total	44,190,065,326	13,931,814,497	58,121,879,823	

b) Supplementary Estimates

3.1.7 Refers to revised budget estimates approved by the National Assembly.

3.1.8 The special audit established that the MOH made two requests to the National Treasury for supplementary budgets amounting to Kshs.10,414,966,888 as summarized below and detailed in Appendices III and IV.

Table 4: MoH'S requests for supplementary budgets for 2015/2016 financial year

Budget item	Supplementary I (Kshs) (Appendix III)	Supplementary II (Kshs) (Appendix IV)	Total (Kshs)
Recurrent expenditure	654,171,888	0	654,171,888
Development expenditure	4,577,850,000	5,182,945,000	9,760,795,000
	5,232,021,888	5,182,945,000	10,414,966,888

3.1.9 The first supplementary budget request (Supplementary I) of Kshs.5,232,021,888 was made on 13 January 2016 by the then PS, MOH Dr. Nicholas Muraguri vide a letter referenced MOH/FIN/A/A VOL 1(247) to the PS, National Treasury, to cater for shortfall in appropriated amounts and new needs that had arose in the Ministry as detailed in Appendices III and IV.

3.1.10 The second supplementary budget request of Kshs.5,182,945,000 was made on 27 May 2016 by the then PS, MOH Dr. Nicholas Muraguri vide a letter referenced MOH/FIN/1/A VOL 1(298) to the PS, National Treasury to finance existing contractual obligations entered into with suppliers of Medical Equipment Services (MES) Project, pending bills under Free Maternity Program, and outstanding commitments and contracts for portable clinics and donor funds in respect to Japanese Government (JICA) funded Health Sector Program as detailed in Appendix IV.

3.1.11 The MOH Management did not avail letters from the National Treasury that approved supplementary estimates. In absence of such records, the special audit could not establish whether the supplementary requests were duly approved by the National Treasury that requires the National Treasury to issue approvals/notifications to Accounting Officers prior to incurring expenditures on supplementary budgets. This

notwithstanding, the supplementary estimates were approved by the National Assembly.

3.1.12 A review of IFMIS generated vote book for financial year 2015/2016 established that a supplementary amount of Kshs.2,552,087,201 as summarized below and detailed in Appendix V had been allocated to the MOH:

Table 5: MOH's supplementary budgets for 2015/2016

Source	Supplementary I (Kshs.)	Supplementary II (Kshs.)	Total (Kshs)
Recurrent Exchequer issues net of AIA	409,203,488	265,795,750	674,999,238
Development Exchequer issues	36,837,963	1,840,250,000	1,877,087,963
Total	446,041,451	2,106,045,750	2,552,087,201

3.1.13 The aforementioned supplementary budgets increased the MOH budget from an original printed estimates of Kshs.58,121,879,823 to an amount of Kshs.60,673,967,024 as summarized below and detailed in Appendix VI:

Table 6: MOH budget estimates for 2015/2016 financial year

Source	Printed Estimates (Kshs)	Supplementary I (Kshs)	Supplementary II	Approved Budget in Kshs.
Recurrent Exchequer issues net of AIA	24,541,636,512	409,203,488	265,795,750	25,216,635,750
Recurrent AIA	3,977,876,477	-	-	3,977,876,477
Total (Recurrent)	28,519,512,989	409,203,488	265,795,750	29,194,512,227
Development Exchequer issues	19,648,428,814	36,837,963	1,840,250,000	21,525,516,777
Development AIA	9,953,938,020	-	-	9,953,938,020
Total (Development)	29,602,366,834	36,837,963	1,840,250,000	31,479,454,797
Total (RECCURENT +DEVELOPMENT)	58,121,879,823	446,041,451	2,106,045,750	60,673,967,024

c) Donor funded Projects

3.1.14 The special audit also established that included in the aforementioned MoH budget estimates was Kshs.13,739,891,875 to be funded by various Development Partners for the following projects:

Table 7: Budget estimates for Donor funded Projects for 2015/2016 financial year

Project Name	Donor	Amount (Kshs)
Rehabilitation of Hospitals	KIDDP	107,960,000
Program for Basic Health Insurance for Poor and Informally Employed	KFW	700,000,000
Support to KEMSA for Health Commodities	USAID	3,125,141,124
Kenya Health Sector Support Project	World Bank	1,931,140,000
Health Sector Service Fund	DANIDA	834,305,000
East African Public Laboratory Networking Project	World Bank	581,000,000
HIV Round 7	Global Fund	1,428,769,159
HIV/AIDS-National Aids Control Council	Global Fund	411,096,476
TB Round 6	Global Fund	590,988,214
Malaria Round 10	Global Fund	1,641,799,406
Health Sector Program Support III	DANIDA	1,183,092,496
Roll Out of Universal Health Care	JICA	1,785,600,000
Total		13,739,891,875

Review of Approved Budgets Vis a Vis Procurement Plan

3.1.15 Section 26(3) (a) of the Public Procurement and Disposal Act 2005 (PPDA, 2005) require all public procurements to be within the approved budget of Procuring Entities (PE) and be planned by the procuring entity concerned through an annual procurement plan.

3.1.16 In 2013, His Excellency the President of the Republic of Kenya Uhuru Kenyatta directed that the procurement rules be amended to allow thirty percent (30%) of common user items to be given to the youth, women and persons with disability without competition from established firms under a programme referred to as "Access to Government Procurement Opportunities (AGPO)".

3.1.17 The Presidential Directive was contained in Treasury Circular No. 14/2013 Ref.NT/PPD/1/3/26 (24) dated 25 September 2013 that was issued by Mr. Henry Rotich - Cabinet Secretary, National Treasury. AGPO is implemented through budgets and

procurement plans of PE and quarterly reports were then sent by PE to Public Procurement Oversight Authority (PPOA).

3.1.18 The Treasury Circular No. 14/2013 listed the following as common user items that are to be reserved and preferred for youth, women and persons with disabilities owned enterprises:

Reservations: Supply and delivery of flowers, Provision of cleaning services, Provision of garbage collection servicers, Supply and delivery of newspapers, journals and magazines, Supply and delivery of mobile phone air times, Provision of printing services, Supply and delivery of office common user items, Provision of labour contracts, Provision of motor vehicle repair, Provision of repair services for office equipment and machines, Event organizing, Design and branding of promotional material such as T/shirt, caps, banners and posters, Photo copy and videography.

Preference: Car leasing, Cab /taxi services, Courier services, Provision of security services, Contracts for small works, Provision of painting works.

3.1.19 The aforementioned Treasury circular and the Presidential Directive resulted in the National Treasury coming up with the Public Procurement and Disposal Preference and Reservations Amendment Regulations, 2013 that required PE to allocate at least thirty percent (30%) of their procurement spend for the purposes procuring goods, works and services from micro and small enterprises owned by youth, women and persons with disability.

3.1.20 The special audit reviewed the MOH 2015/2016 procurement plan and observed that the MOH planned for procurement of various items estimated to cost Kshs.14,513,981,509 as tabulated below:

Table 8: Procurement plan for FY 2015/2016

	Item	Amount (Kshs)	Total Amount (Kshs)
1	Purchase of medical equipment		77,000,000
2	Construction of buildings		
	a) Government Chemist	57,000,000	
	b) Radiation Protection Board (RPB)	77,000,000	
	c) National Quality Control Labs (NQCL)	10,500,000	

	Item	Amount (Kshs)	Total Amount(Kshs.)
	d) Mathari Mental Teaching & Referral Hospital	31,500,000	-
	e) Spinal Injury Teaching & Referral Hospital	20,000,000	196,000,000
3	GOK Common User Items		451,000,000
4	Strategic Program / Intervention		-
	a) MES	4,500,000,000	-
	b) Slum upgrading of Health Centers (which consists of construction and equipping)	1,000,000,000	5,500,000,000
	c)Procurement for Donor related projects		8,289,981,509
	Total		14,513,981,509

3.1.21 Out of the planned procurements of Kshs.14,513,981,509, Kshs.451,000,000 had been allocated to common user items. Out of these common user allocation, Kshs.108,618,317 had been allocated for purpose of procuring the common user items from micro and small enterprises owned by youth, women and persons with disability under the AGPO programme as follows:

Table 9: Allocation in the Procurement plan for AGPO FY 2015/2016

Description	Amount(Kshs)	Items
General office supplies	17,198,278	Papers, pencils, and small office equipment
Hospitality services	2, 351,683	Catering and reception services
Printing and publishing services	3,412,000	Printing and publishing
Food and rations	24,000,000	Food for patients admitted in health facilities
Patients clothing	7,640,000	Clothing for patients admitted in health facilities
Non pharmaceuticals	35,443,144	Syringes and lab supplies
ICT Accessories	6,434,895	Toners, cartridges, and maintenance
Professional contracted services	2,670,000	Cleaning and sanitation services
Beddings and Linen	12,000,000	Bedding materials for hospital patients
Total	108,618,317	

3.1.22 The amount of Kshs.108,618,317 allocated for purpose of procuring goods/services from micro and small enterprises owned by youth, women and persons with disability under the AGPO translates to twenty four (24%) of planned GOK common user items budget. This is contrary to Treasury Circular No. 14/2013 of 25 September 2013 and section 31(1) of the Public Procurement and Disposal Preference and Reservations Amendment Regulations, 2013 that requires PE to allocate at least thirty percent (30%) of procurement spent to micro and small enterprises owned by youth, women and persons with disability.

3.1.23 The special audit established that all items in the procurement plan had been budgeted for by the MOH.

3.2 Revenue receipts, collections and management

3.2.1 The special audit established that the MOH earned its revenue from three (3) sources. These were; Exchequer issues from the National Treasury, Appropriation in Aid (AIA) and Grants from Development Partners/ Donors.

3.2.2 During the financial year 2015/2016, the MOH had budgeted to receive an amount of Kshs.60,673,967,024 from various streams, however only Kshs.42,552,416,596 was collected as summarized below and detailed in Appendix VII.

3.2.3 Included in the actual receipts for the financial year 2015/16 were disbursements from Development Partners amounting to Kshs.5,279,981,680 also detailed under Appendix VII, and represents 38 percent actual receipts of the total funds allocated by the Development Partners amounting Kshs.13,739,891,875 to the MOH for that financial year 2015/16.

Table 10: Budgeted and Actual Revenue earned

Source	Approved Budget (Kshs)	Amount received (Kshs)	Variance (Kshs)
Recurrent Exchequer issues	25,216,635,750	25,147,800,000	68,835,750
Recurrent AIA;-(Sale of Assets)	3,977,876,477	14,068,266.15	3,963,808,211
Development Exchequer issues	21,525,516,777	17,019,501,618	4,506,015,159
Development AIA	9,953,938,020	371,046,712	9,582,891,308
Total	60,673,967,024	42,552,416,596	18,121,550,428

3.3 Payments/ Expenditure incurred

3.3.1 An examination of the MOH expenditure records established that the Ministry incurred a total of Kshs.42,582,776,899 as both recurrent and development expenditures as detailed below:

Table 11: Expenditures incurred

Expense item as per financial statements	Recurrent expenditure (Kshs)	Development expenditure (Kshs)	Total expenditure (Kshs)
Transfer to other GOK entities	16,850,465,375.00	7,382,909,446.00	24,233,374,821.00
Use of goods and services	1,694,195,073.00	7,752,754,882.00	9,446,949,955.00
Compensation of employees	5,598,510,282.00	175,948,456.00	5,774,458,738.00
Acquisition of assets	295,896,752.00	1,293,308,242.00	1,589,204,994.00
Other grants and transfers	600,488,391.00	838,300,000	1,438,788,391.00
Social Security benefits	100,000,000.00	-	100,000,000.00
Total	25,139,555,873.00	17,443,221,026.00	42,582,776,899.0

3.3.2 The above expenditures were compared with the actual budgetary allocations and it was established that the MOH under spend on various budgetary items by Kshs.18,091,190,125 as summarized below:

Table 12: Comparison of budgets and expenditures

Item as per financial statements	Approved budget (Kshs)	Actual expenditure (Kshs)	Variance (Kshs)	Notes
Transfer to other GOK entities	32,185,007,858.00	24,233,374,821.00	7,951,633,037.00	Under expen diture
Use of goods and services	19,416,307,025.00	9,446,949,955.00	9,969,357,070.00	,,
Compensation of employees	6,236,895,753.00	5,774,458,738.00	462,437,015.00	,,
Acquisition of assets	2,117,874,022.00	1,589,204,993.00	528,669,029.00	,,
Other grants and transfers	617,882,366.00	1,438,788,391.00	(820,906,025.00)	Over expen

Item as per financial statements	Approved budget (Kshs)	Actual expenditure Kshs)	Variance (Kshs)	Notes
				diture
Social Security benefits	100,000,000.00	100,000,000.00	-	-
Total	60,673,967,024.00	42,582,776,899.00	18,091,190,125.00	

3.3.3 Out of the total expenditure of Kshs.42,582,776,899, the special audit reviewed expenditures amounting to Kshs.13,161,288,345 for Compliance with Public Procurement and Asset Disposal Act, 2015 (PPAD, 2015), Public Procurement and Disposal Act, 2005 (PPDA, 2005) and PFMA, 2012. These expenditures were deemed high risk from the risk assessment procedures that identified them as both having financial and publicity materiality aspects.

3.3.4 In this regard, the following expenditure items were identified as high risk:

Table 13: Expenditure items subjected to special audit review

Expense item as per financial statement	Budget item	Specific projects reviewed	Amount incurred (Kshs)
Use of goods and services	District Health Services	Purchase of portable clinics	800,000,000.00
,,	District Health Services	Lease of Medical Equipment	4,568,544,207.00
,,	District Health Services	Purchase of Medicines & food rations/supplements	512,084,944.00
Acquisition of assets	District Health Services	Construction works at Nanyuki ,Lamu , Bungoma and Othaya County Hospitals	600,000,000.00
Transfer to other GOK entities	Family planning and Maternal Health care	Free Maternity funds disbursed to Hospitals	4,256,158,560.00
Other grants and transfers	Development Partners Funded programmes	Disbursements for Project	2,963,659,201

Expense item as per financial statement	Budget item	Specific projects reviewed	Amount incurred (Kshs)
	Total		13,700,446,912

3.4 Review of Procurement/expenditure process for selected project items

3.4.1 Tenders awarded under access to government procurement opportunities

3.4.1.1 The Ministry availed quarterly reports of tenders awarded under the Access to Government Procurement Opportunities (AGPO) during the financial 2015-2016 totaling Kshs.296,418,302.00. However, records relating to procurement process and actual payments made by MOH were not availed.

3.4.2 Procurement of Portable Clinics

3.4.2.1 Portable medical clinic is designed and built to serve patients in remote or isolated environments where there is no access to medical facilities and is capable of being carried or moved from one location to another.

User requests, procurement planning and issuance of tender documents

3.4.2.2 The procurement process for portable clinics was triggered by a request from the then Director of Medical Services (DMS) Dr. Nicholas Muraguri dated 12 May 2015 to the then Principal Secretary (PS) Dr. Khadijah Kasachoon.

3.4.2.3 The request sought the approval of the PS to procure one hundred (100) portable clinics as part of the slum upgrading project under the Government flagship projects. Appendices VIII and X details the specific components and specifications of the portable clinics respectively.

3.4.2.4 The memo further stated that the portable clinics were to be located in strategic positions in the informal sectors in Nairobi, Coast, Nyanza and other urban areas. The Memo further stated that the Ministry targeted to establish them before the end of the 2015/2016 financial year. In this regard, the DMS requested for approval to use the restricted tendering method.

3.4.2.5 The Ministerial Tender Committee (MTC) meeting held on 22 May 2015 approved use of restricted tendering method to procure the portable clinics.

3.4.2.6 The MTC further approved the following ten (10) firms to participate in the tender: M/s.Ziwagi Kenya Ltd, M/s.Switztech Services, M/s.Kembra Investments, and M/s.Marshland Services, M/s.Estama Investments, M/s.Serochemia Agencies, M/s.Abbex Ltd, M/s.Kagogo Property Developers, M/s.Lucini Investments and M/s.Jaydis Investments Ltd.

3.4.2.7 A review of MOH budgets established that an amount of Kshs.470,000,000 had been budgeted for procurement of portable clinics as follows:

Table 14: Budget estimates for Portable clinics

Financial year	Amount (Kshs)		
	Printed	Supplementary	Approved
2014/2015	-	200,000,000	200,000,000
2015/2016	800,000,000	270,000,000	270,000,000
Total	800,000,000	470,000,000	470,000,000

3.4.2.8 The special audit established that the procurement process of the portable clinics was not factored in the annual procurement plan for the financial year 2014-2015 as per Section 26(3) (a) of the PPDA, 2005 that requires all public procurements to be planned by the Procuring Entity concerned through an annual procurement plan.

Tender opening, evaluation and award

3.4.2.9 Tenders were opened on 11 June 2015 and the following six (6) firms returned bids for restricted tender for supply, delivery and installation of 100 portable clinics:

Table 15: Firms that participated in the tender for Portable clinics

No.	Firm	Amount Quoted per Container in Kshs
1	M/s. Abbex Ltd	12,000,000.00
2	M/s. Switztech Services	14,000,000.00

No.	Firm	Amount Quoted per Container in Kshs.
3	M/s. Estama Investments	10,000,000.00
4	M/s. Lucini Investments	10,500,000.00
5	M/s. Serochemia Agencies	12,500,000.00
6	M/s. Ziwaga Kenya Ltd	12,500,000.00

3.4.2.10 On 8 June 2015 through a letter ref. MOH/PROC/6/3/1 VOL.I the then PS, Dr. Khadijah Kasachoon appointed a Tender Evaluation Committee comprising: Mr. Stephen Matiba, Mr. Abdulatif Ali, Mr. Ephantus Thigah and Mr. Julius Nyamuhanga. The six (6) bidders were evaluated at three levels: Mandatory requirements, technical and financial evaluations.

3.4.2.11 At mandatory requirements level, bidders were required to have included the following documents: certificate of incorporation/ Registration, valid tax compliance and VAT certificates from KRA, proof of authorization and support by equipment manufacturers to sell/service the product in Kenya, and a completed company's profile.

3.4.2.12 According to the Evaluation Committee's report dated 23 June 2015, three (3) bidders, M/s.Abbex Ltd, M/s.Lucini Investments and M/s.Ziwaga Ltd did not provide a valid tax compliance certificate and PIN/VAT certificate and were therefore disqualified.

3.4.2.13 The remaining three (3) bidders'; M/s. Switztech Services, M/s. Estama Investments and M/s.Serochemia Agencies proceeded to the technical evaluation stage. The technical evaluation criteria were as follows:

Table 16: Technical evaluation criteria for Portable clinics

Evaluation Attribute	Criteria	Score (points)
Compliance with technical requirements for items quoted for	Full compliance, (full score, non-compliance (no score)	30
Qualified staff to support equipment supplied	5 or more staff (30 points); between 2-4 staff (20 points); 1 staff (10 points); no staff (0	30

Evaluation Attribute	Criteria	Score (points)
	points)	
List of clients and references of which the company has supplied similar equipment	5 or more clients (20 points); between 2-4 clients (10 points); 1 client (5 points), no client (0 points)	20
Delivery/ completion period	Shortest period (10 points); 1 week later (5 points)	10
Number of years in the business of supply of equipment being quoted for	5 years and above (10 points), between 2-4 years (5 points); below 2 years (0 points)	10
Total		100

3.4.2.14 The pass mark at the technical evaluation stage was set at seventy (70) points. All the three (3) bidders scored above the pass mark and were recommended to proceed to the financial evaluation stage. The firms scored as follows: M/s. Switzech Services; 70 points, M/s Estama Investments; 80 points and M/s. Serochemia Agencies; 70 points.

3.4.2.15 At financial evaluation stage, M/s. Estama Investments was found to have quoted the lowest price of Kshs.10,000,000 per container as detailed in **Appendix XI.** The evaluation committee recommended that the firm be awarded the tender.

3.4.2.16 The special audit noted that the evaluation committee's report did not include the individual evaluator's scores as required under section 16 subsection 10 (c) of the Public Procurement Regulations, 2006.

3.4.2.17 The MTC Meeting held on 29 June 2015 awarded the tender for supply and installation of 100 No fully equipped portable medical clinics to M/s.Estama Investments Ltd at a total cost per container of Kshs.10,000,000. The MTC further noted that committed funds available for procurement of portable clinics was Kshs.200,000,000 whereas the total cost of the tender was Kshs.1,000,000,000.

3.4.2.18 The MOH therefore initiated procurement process for portable clinics without evidence of availability of sufficient funds as required under Section 26(6) of the PPDA, 2005, however, this was envisioned by the MOH to be a multi-year contract.

3.4.2.19 On 29 June 2015 the MOH vide a letter ref. MOH/PS/1/1/VOL.VII (158) notified M/s.Estama Investments Ltd of the award of tender for supply and installation of 100 fully equipped portable medical clinics at a contract price of Kshs.10,000,000 per container. On the same day all unsuccessful bidders were notified. M/s.Estama Investments Ltd accepted award of the tender on 1 July 2015.

Contract signing, delivery and payments

3.4.2.20 The contract agreement between the Ministry of Health (MOH) and M/s. Estama Investment Ltd was signed on 17 July 2015 and was to end at the closure of the financial year 2015-2016 (30 June 2016). The MOH was represented the then Principal Secretary, Dr. Khadijah Kasachoon While and M/s. Estama Investment Ltd was represented by the Managing Director, Mr. Ambrose Ngari.

3.4.2.21 The contract provided that: M/s. Estama Investment Ltd was to supply and install 100 portable clinics to the MOH; The contract was to be executed upon issuance of Local Purchase Orders (LPOs) in Lots of 20 containers per each order for ease of management of the whole contract.

Delivery and payment of portable clinics

3.4.2.22 The delivery and inspection of the portable clinics was done as follows:

Table 17: Delivery and inspection of Portable clinics

Purchase Order Date	Purchase Order No	Quantity	Delivery date	Inspection date
30.09.2015	1366	20	16.12.2015	19-22 Oct 2016
02.03.2016	2182	40	27.05.2016	2-6 June 2016
30.06.2016	3233	20	29.06.2016	24-27 June 2016
Total		80		

3.4.2.23 Out of the 100 containers contracted to be supplied by M/s. Estama Investment Ltd, only LPOs for 80 containers were availed for the special audit. Mr. Peter Mwangi, the Head of Supply Chain Management at the MOH explained that LPOs for the remaining 20 containers had not been raised.

3.4.2.24 Records availed by the MOH Management indicated that LPO Number 3233 to M/s.Estama Investment Ltd was written on 30 June 2016 and the goods were delivered on 29 June 2016. The special audit noted that the contract provided for payments to be done after inspection and delivery of the items. As at 30 June 2016, M/s. Estama Investment Ltd had been paid a total of Kshs.800,000,000 as follows:

Table 18: Payments for Portable clinics

Date	PV No.	Quantity	LPO number	Amount paid in Kshs.	Source of Funds/Budget item
06.01.2016	116	20	1366	200,000,000.00	District Health Services (Hire of Equipment ,Plant & Machinery-Medical Equipment Services A/C 1-1081-0017-01-040204-2210606
30.06.2016	340	40	2182	400,000,000.00	District Health Services (Hire of Equipment, Plant and Machinery-Medical Equipment Services) A/c. No.1-1081-0017-01-040204-2210606
30.06.2016	432	20	3233	200,000,000.00	Family Planning Maternal and Child Health (Free Maternity grants) A/c. No. 1-1081-0033-01-040502-2630203
Total				800,000,000.00	

3.4.2.25 As noted in the above analysis, the MOH reallocated a total of Kshs.200,000,000 and Kshs.600,000,000 from the Family Planning Maternal & Child Health programme and Medical Equipment Services respectively towards payment for portable clinics without treasury approval as per Section 48(1) (e) of Public Finance Management Regulations, 2015 (PFMR, 2015) that provides that allocations earmarked by the National Treasury for a specific purpose may not be used for other purposes, except with the National Treasury's approval.

3.4.2.26 The special audit further established that the Kshs.270,000,000.00 allocated for purchase of mobile clinics in the supplementary budget for financial year 2015/2016 was used to finance an expenditure of Kshs.281,985,005.00 not related to mobile clinics without the approval of the National Treasury.

3.4.2.27 The amounts were spent as detailed below:

Table 19: Utilization of funds meant for Portable clinics

Date	Payee	PV No.	Amount in Kshs.	Remarks
15.09.2015	Diligent Medical Services	103	2,145,000.00	Supply and delivery of goods
15.09.2015	Imbash Ventures	1012	733,000.00	Supply and delivery of goods
15.09.2015	Imbash Ventures	1009	2,588,000.00	Supply and delivery of goods
15.09.2015	Dalson Merchants	53	1,800,000.00	Supply and delivery of goods
15.09.2015	Lidemo Enterprises	4	990,000.00	Supply and delivery of goods
15.09.2015	Diligent Medical Services	102	1,390,000.00	Supply and delivery of goods
15.09.2015	Diligent Medical Services	101	780,000.00	Supply and delivery of goods
15.09.2015	Diligent Medical Services	9	1,151,290.00	Supply and delivery of goods
03.12.2015	Belco Sr. Ltd	6//15	19,199,408.00	MES project
03.12.2015	Lizsol Chem. Co. Ltd.	L752	30,249,000.00	supply of equipment
03.12.2015	Fidelity Medical Supplies Ltd	1171	9,992,285.00	Supply of blood bags
08.12.2015	Fidelity Medical Supplies Ltd	1169	16,671,045.00	Supply of Lab. consumables
08.12.2015	Rayovac Industries Ltd.	340	3,153,500.00	Supply of blood bags
08.12.2015	Fidelity Medical Supplies Ltd	1170	12,528,010.00	supply Lab. Consumables
18.12.2015	Rayovac Industries Ltd.	341	1,130,500.00	Supply of blood bags
18.12.2015	Esteem Industries Ltd	19/11/15	8,195,255.00	MES project
21.12.2015	Mindray Medical (K) Ltd.	603/2015	167,868,712.00	MES project
09.03.2016	Guts Services Ltd.	3289	1,420,000.00	Supply of goods
Total			281,985,005.00	

Report on audit inspection of portable medical clinics

3.4.2.28 The special audit established that the portable clinics had been stored at the National Youth Services (NYS) Yard in Miritini Mombasa. Being a government facility, there are no storage charges.

3.4.2.29 The MOH Management explained that a total of 100 portable clinics were delivered by M/s. Estama Investments Ltd. Out of these 1 was taken to State House for demonstration to the President and the other 10 were delivered to various sites within Nairobi leaving a balance of 89 portable clinics which had been stored at the NYS Yard, Miritini. However, all the containers were locked and the special audit could not verify the contents inside the containers.

3.4.2.30 As earlier mentioned, the portable clinics were procured without inclusion in the annual procurement as it was envisioned to be a multi-year contract, and several months after they had procured, they had not been delivered to the planned sites at the Counties. Further, the MOH only availed LPOs for 80 out of 100 containers. The special audit could not therefore establish the whereabouts of LPOs, delivery and inspection reports for the 20 containers. The special audit also question to the plan of action and recommended the immediate usage to derive public value from these assets.

3.4.3 Procurement process of Leased Medical Equipment Services

Budgeting and financing arrangements

3.4.3.1 During the financial year 2015-2016 the CARA 2015, allocated a total of Kshs.4,500,000,000 as an additional conditional budgetary allocation to the forty-seven (47) County Governments for leasing of Medical Equipment. This translates to Kshs.95,744,680.85 per County.

Procurement process

3.4.3.2 Procurement for Leased Medical Equipment was conducted by the National Government through the MOH. The procurement process was divided in two levels: Procurement of financial and legal consultants; and Procurement of contractors.

a) Procurement of financial and legal consultants

i) Procurement of financial consultant

Need recognition/ requisition from user department

3.4.3.3 The Directorate of Clinical Services presented a request to the MTC on 29 August, 2014 on the need to engage financial advisory services to guide the MOH on making decision on the best pricing of the Leased Medical Equipment. The Directorate further requested the MTC to approve use of restricted tender method in sourcing for the consultancy firms pursuant to section 73, 2(a) of the PPDA, 2005.

3.4.3.4 The MTC approved the use of restricted tendering and further approved the following five (5) firms to participate in the request for proposal through restricted tendering process; Ms. PKF Kenya; Ms. PricewaterhouseCoopers Kenya; Ms. Ernst & Young Kenya; MS. KPMG Kenya; and Ms. Deloitte Kenya.

3.4.3.5 Though the use of restricted tendering method was approved by the MTC as required under section 29(3) (a) of PPDA, 2005, the MTC did not record in writing the reason for using restricted tendering as required under section 29(3) (b) of the PPDA, 2005 that entities record in writing the reasons for using the alternative procurement procedures (restricted tendering).

Tender opening, evaluation, award and contract

3.4.3.6 The five firms were issued with Request for Proposal (RFP) via e-mail on 2 September 2014 and only two bidders M/s. PKF Kenya and Ms. PricewaterhouseCoopers responded. The two (2) bidders were subjected to technical and financial evaluation based on the evaluation criteria. The technical scores were then subjected to a weighting factor of 0.8 while the financial score were subjected to a weighting factor of 0.2 so as to obtain the aggregate total score.

3.4.3.7 For the bidder to proceed from the technical to financial evaluation, the bidder had to score a minimum technical score of 70 out of 100 points to qualify for the financial evaluation. Both bidders scored above the minimum technical score of 70 out of 100 points as detailed below and proceeded for financial evaluation.

Table 20: Technical scores for financial consultancy for Leased Medical Equipment

Name of Firm	Technical Score (T)	Weighted score (T*0.8)	Ranking
Ms. Pricewaterhouse Coopers	85.07	68.06	1
Ms. PKF Kenya, in association with SPA Infosuv Africa Ltd.	78.51	62.81	2

3.4.3.8 Financial evaluations were conducted on the two firms based on the following formulae: *Fs= 100xFm/F*; Where: *Fs= Financial score, Fm= Lowest evaluated price and F=Price of proposal under consideration.* The financial scores were further weighted by a factor of 0.2 to obtain the weighted financial score as follows;

Table 21: Financial bid prices for financial consultancy for Leased Medical Equipment

Name of Firm	Amount in Kshs.	Financial score (Fs)	Weighted score (Fs*0.2)
Ms. PricewaterhouseCoopers	13,887,259	69.38	13.88
Ms. PKF Kenya, in association with SPA Infosuv Africa Ltd.	9,634,960	100	20

3.4.3.9 A combined weighted technical and financial score was computed as indicated below:

Table 22: Combined score for financial consultancy for Leased Medical Equipment

Name of Firm	Weighted Technical Score (T)	Weighted Financial Evaluation	Combined Evaluation
Ms. Pricewaterhouse Coopers	68.06	13.88	81.94
Ms. PKF Kenya, in association with SPA Infosuv Africa Ltd.	62.81	20	82.81

3.4.3.10 The MTC awarded Ms. PKF the tender to undertake appraisal of the financial proposals for the proposed Leased Medical Equipment at a cost of Kshs.9,634,960. On 13 October 2014, the MOH signed a contract agreement with M/s. PKF Kenya to undertake appraisal of financial proposals of bidders for Leased Medical Equipment at a contract price of Kshs.9,634,960. As at the time of this special audit a total of

Kshs.4,335,732 had been paid to PKF Kenya Ltd for provision of financial consultancy services.

ii) **Direct procurement of Legal Consultant**

3.4.3.11 The MTC meeting held on 15 January 2015 granted approval to MOH Management to engage M/s. Iseme, Kamau and Maema Advocates (IKM) as the Legal Transaction Advisors through direct procurement at a contract sum of USD 560,000 citing urgency as justification for direct procurement. Though the MOH cited urgency as a basis of using direct procurement, this could not be justified since procurement of legal services would have been foreseen at project initiation level and planned for adequately to allow a competitive bidding process.

3.4.3.12 The MOH entered into a Service Level Agreement (SLA) with M/s. IKM Advocates on 16 January 2015. According to the SLA, M/s. IKM Advocates was to advise on the optimal procurement structure for the Project and the Tender and assist in drafting, negotiating, amending and finalizing all legal agreements and documents related to the Project. As at the time of completion of this special audit, the MOH had paid M/s IKM Advocates Kshs.47,672,544.

b) **Procurement of contractors**

Advertisement and technical specifications

3.4.3.13 An international tender number MOH/001/2014/2015 for supply, installation, testing, maintenance and replacement of Medical Equipment and associated training for County and Sub County referral health facilities through a managed equipment service (MES) arrangement was advertised in the daily nation and standard newspapers of 11 July 2014, the East African newspaper of 02 August 2014 and the MOH website (www.health.go.ke). The advert further indicated that only Original Equipment Manufacturers' (OEM) were eligible to apply.

3.4.3.14 The advert indicated that the MOH intended to equip the hospitals in two phases under the MES arrangement in which the successful candidate(s) shall be expected to supply, install, test, train users, replace and maintain the medical equipment on long

term basis of between seven (7) to (10) years. The tender details of equipment to be supplied were as follows:

Table 23: Type of Equipment advertised for supply during the first phase of the project

Lot Number	Items
1	Theatre Equipment
2	Theatre ,CSSD Equipment
3	Laboratory Equipment (category 1)
4	Laboratory Equipment (category 2)
5	Renal Equipment
6	ICU Equipment
7	Radiology Equipment

3.4.3.15 Laboratory equipment category one (1) comprised items for Clinical medicine/ hematology and virology /immunology while category two (2) comprised Items for Microbiology, blood transfusion, hematology, clinical chemistry and histology. According to the tender document, the specifications of equipment to be supplied were as summarized below and detailed in Appendix XII.

Table 24: Summary of Specifications

Lot No	Particulars	Key components	No. of items in the lot
1	Theatre equipment	Operating theatre rooms and Main theatre equipment	9
2	Theatre Central Sterile Stores Department (CSSD) Equipment	Surgical instruments and CSSD Equipment	31
3	Laboratory Equipment (Category 1)	Clinical medicine/ hematology and virology /immunology	12
4	Laboratory Equipment Category 2)	Items for Microbiology , blood transfusion, hematology, clinical chemistry and histology	28
5	Renal equipment	Renal items	13
6	ICU Equipment packages	ICU Equipment	39
7	Radiology	imaging Equipment	7

3.4.3.16 The tender document further outlined the tender evaluation criteria as summarized below and detailed in Appendix XIII.

Table 25: Tender Evaluation Criteria for Leased Medical Equipment

Level of evaluation	Methodology	Criteria
Preliminary evaluation (Stage 1)	Determine responsiveness of tenders based on the mandatory requirements stated in the tender document	Bidders who did not meet all the mandatory requirements were disqualified.
Technical evaluation (Stage 2)	Analysis of technical proposals. A maximum of 70 points was awarded for this stage.	Bidders who scored below 56 out of 70 points were disqualified
Financial evaluation (Stage 3)	Analysis of financial bids. A maximum of 30 points was awarded for this stage.	A bidder who scored the highest aggregate score of both technical and financial evaluation was recommended for award.

Tender Opening

3.4.3.17 Tenders were opened on 8 September, 2014 and a total of thirty-one bidders participated in the tender as summarized below:

Table 26: Number of bidders who participated in each Tender Evaluation

Lot no	Description	Number of bidders
1	Theatre Equipment	8
2	Theatre ,CSSD Equipment	8
3	Laboratory Equipment (category 1)	5
4	Laboratory Equipment (category 2)	2
5	Renal Equipment	2
6	ICU Equipment	1
7	Radiology Equipment	5
	Total	31

3.4.3.18 PKF was engaged as a financial consultant to guide the MOH in making decisions on the best pricing of the equipment. This entailed computing the Public Sector Comparator (PSC.) The PSC price calculated was then compared with prices quoted by bidders. In calculating the PSC, the future value of outright purchase was calculated and used as the comparator value to the MES bid price.

3.4.3.19 The decision criterion was that if MES value was less than the future value of outright purchase (PSC), then MES was preferred and vice versa. This criterion was used as a basis of conducting financial evaluation of bids submitted by various bidders. The report findings of PKF came up with the following PSCs for various lots of MES equipment that were used as a basis of financial evaluation:

Table 27: Public Sector Comparators for various lots of MES Equipment

Lot no	Items	PSC (USD)
1	Theatre equipment	77,770,105
2	Theatre , CSSD equipment	88,368,888
3	Laboratory equipment (Category 1)	49,754,399
4	Laboratory equipment (Category 2)	78,697,122
5	Renal equipment	34,259,165
6	ICU equipment	51,268,663
7	Radiology equipment	440,526,360
	Total Public Sector Comparator	820,644,702

3.4.3.20 The evaluations were conducted at three levels; preliminary evaluation (Stage 1), technical evaluations (Stage 2) and financial evaluation (Stage 3) as follows: -

LOT 1: Theatre Equipment

Preliminary evaluations (Stage 1)

3.4.3.21 Eight firms were issued with bid documents out of which only seven returned the bids as detailed below: -

Table 28: Tender Prices for Theatre equipment-LOT 1

	Name of bidder	Amount quoted (USD)
1	Beijing Aenomed Co.ltd	60,873,765
2	Shenchen Mindray Biomedical Electronic Co ltd	45,991,449.78
3	MaquetGetinge Group	69,467,486.17
4	Enraf-Nonius (BV) Delft (EN Projects)	27,418,383.89
5	Philips Medical Systems	69,019,563.84
6	Dr. Mach GMBH &Co. K.G	79,703,049.36
7	Batalo Pharmaceuticals ltd	1,178,694.04

3.4.3.22 The above bidders were evaluated based on the preliminary evaluation criteria detailed in Appendix XIII. Four bidder's M/s Dr. Mach GMBH &Co. K.G, M/s Batalo

Pharmaceuticals ltd, M/s Philips Medical Systems and M/s MaquetGetinge Group were disqualified for failure to meet the preliminary evaluation criteria detailed in **Appendix XIII.**

3.4.3.23 The following three (3) bidders passed the preliminary evaluation stage and proceeded to the technical evaluation: M/S Beijing Aeonmed Co.ltd M/S Shenchen Mindray Biomedical Electronic Co ltd and M/S Enraf-Nonius (BV) Delft (EN Projects)

Technical evaluations (Stage 2)

3.4.3.24 The three preliminary responsive bidders were subjected to technical evaluation based on the technical evaluation criteria detailed in **Appendix XIII.** According to the evaluation criteria, the minimum requirement for a technical criterion was 56 points out of 70 points. Bidders that scored below the average of 56 were disqualified.

3.4.3.25 A review of the technical evaluation report established that Beijing Aeonmed Co. ltd scored 37 points, Shenchen Mindray Biomedical Electronic Co ltd scored 56 points while Enraf-Nonius (BV) Delft (EN Projects) scored 48 points. M/s. Shenchen Mindray Biomedical Electronic Co ltd was considered responsive to the technical criteria and was therefore recommended for financial evaluation.

Financial evaluations (Stage 3)

3.4.3.26 According to the evaluation criteria indicated in the tender document, a maximum of thirty (30) points was awarded for financial evaluation. Shenchen Mindray Biomedical Electronic Co ltd scored the maximum score of thirty (30) points. The evaluation committee further noted that the price of USD 45,991,449.78 quoted by the bidder was less than the PSC price of USD 77,770,105 developed by the financial consultant (PKF).

3.4.3.27 The financial consultant had issued a financial evaluation criterion that provided that if the bidders' price was less than the PSC, then the bidders' price was preferred as it would provide Value for Money to MOH. In this regard, the tender processing committee recommended that M/s. Shenchen Mindray Biomedical Electronic Co Ltd be awarded the tender at a tender sum of USD 45,991,449.78.

Tender award and notification to bidders

3.4.3.28 The MTC awarded the tender for theatre equipment (lot 1) to M/s Shenchen Mindray Biomedical Electronic Co ltd at a tender sum of USD45,991,449. The contract was signed between the MOH represented by then Cabinet Secretary, James Macharia and M/s Shenchen Mindray. The contract provided that the MOH shall pay the contractor a sum of USD45,991,450 payable in 28 quarterly instalments of USD1,642,551.78.

3.4.3.29 The payment commencement date was to be triggered by completion, delivery and acceptance of the equipment by respective hospitals. Records on amount paid as at the time of this special audit were not availed.

LOT 2: Theatre, (CSSD Equipment)

Preliminary evaluation

3.4.3.30 Eight (8) bids were received as summarized below:

Table 29: Tender Prices for Theatre, CSSD equipment-LOT 2

	Name of bidder	Amount quoted
1	Enraf-Nonius (BV) Delft (EN Projects)	USD. 14,720,663.33
2	Raiz & Sajaadd Surgical PVT Ltd	USD. 14,986,208.96
3	Achelis Kenya Ltd	USD. 40,252,000.00
4	Cascades Holding Ltd	Ksh.1,029,734,148.00
5	Lifecare Medics Ltd	USD. 24,501,526.58
6	Esteem Industries Inc.	USD. 101,101,865.16
7	Megascope Healthcare (K) Ltd	USD. 22,980,672.41
8	Aquachem Technologies Ltd	USD. 119,130,000.00

3.4.3.31 Six (6) bidder's M/s Raiz & Sajaadd Surgical PVT Ltd, M/s Achelis Kenya Ltd, M/s Cascades Holding Ltd, M/s Lifecare Medics Ltd, M/s Megascope Healthcare (K) Ltd and M/s Aquachem Technologies Ltd were disqualified for failure to meet preliminary evaluation criteria detailed in Appendix XIII. Two bidders, Enraf -Nonius (BV) Delft (EN Projects) and Esteem Industries Inc. met the preliminary evaluation criteria and were therefore responsive and considered for technical evaluation:

Technical evaluation

3.4.3.32 The above tenders were evaluated based on the technical evaluation criteria detailed in **Appendix XIII**. The criteria provided a pass mark of fifty-six (56) out of seventy (70) points for a bidder to be considered successful. The results indicated that M/S Enraf -Nonius (BV) Delft (EN Projects) scored fifty (53) out of seventy (70) points while M/S Esteem Industries Inc. scored fifty-seven (57) out seventy (70) points.

3.4.3.33 M/S Enraf -Nonius (BV) Delft (EN Projects) did not provide evidence of having conducted site visits to hospitals and had also not attached a disposal plan as indicated in the tender document. In view of the above results, the committee recommended M/s. Esteem Industries Inc. to proceed to financial evaluation stage.

Financial evaluation stage

3.4.3.34 The bidder was subjected to financial evaluation criteria detailed in **Appendix XIII** and scored a total of thirty (30) out of thirty (30) points. The total aggregate score for both financial and technical evaluation was therefore eighty-seven (87) points.

3.4.3.35 The committee recommended that M/s. Esteem Industries Ltd Inc. be awarded the tender subject to negotiations since the quoted price of USD101,101,865.16 was beyond the PSC price of USD 88,368,888 recommended by the financial consultant (PKF). The additional cost, the bidder attributed it to the higher number of replacement cycles he proposed in his bid compared to practice in the health sector.

Tender Award, Negotiations and Contract Agreement

3.4.3.36 The tender committee meeting held on 19 November, 2014 deferred the deliberation for the award of the contract in view of the bidder's high financial proposal than the PSC recommended by the financial consultant. This was to allow for further negotiations. On 3 December 2014 the then PS, Dr. Khadijah Kassachoon MOH wrote a letter to M/s. Esteem Industries Inc. informing them that they had been awarded the tender subject to further negotiations. On the same day, the PS wrote letters to all other unsuccessful bidders.

3.4.3.37 As earlier noted the tender committee had deferred the deliberation for the award of the contract in view of the bidder's high financial proposal to allow for further

negotiations. The special audit team was not provided with the MTC minutes to support the decision to award the contract to M/s. Esteem Industries Inc. The special audit further noted that on 03 December 2014 the then PS MOH, Dr. Khadijah Kassachoon vide a letter referenced MOH/PS/1/1/Vol VI (134) appointed a negotiation committee made up of the following officers:

Table 30: Negotiation Committee Members for Theatre (CSSD) Equipment

	Name	Designation
1	Dr. Nicholas Muraguri	Chairman
2	Mr. Morang'a Morekwa	Vice Chairman
3	Dr. Laban Thiga	Member
4	Ms. Susan Otieno	Member
5	Mr. Eric Korir	Secretary

3.4.3.38 A negotiation meeting was held on 17 December 2014 between MOH and representatives of M/s. Esteem Industries Inc. The meeting agreed on a total contract price was USD88,027,973. Consequently, the MOH and Esteem Industries Inc entered into contract agreement. The amounts were to be paid in 28 installments of USD 3,143,856 each.

LOT 3: (Laboratory Equipment, Category1)

Preliminary evaluation

3.4.3.39 The following five (5) bids were received and evaluated based on preliminary evaluated criteria indicated detailed in appendix XIII.

Table 31: Tender Prices for Laboratory equipment, Category 1-LOT 3

	Name of bidder	Amount quoted
1	Qiagen GMBH	USD 35,000,000.00
2	Sysmex Europe GMBH	USD 29,964,830.00
3	Aquachem Technologies Ltd	Kshs. 232,240,000.00
4	Human GMBH	EUR 2,999,200.00
5	Abbott GMBH & Co. Kg	USD 113,974,112.28

3.4.3.40 Three bidders, M/s Qiagen GMBH, M/s Aquachem Technologies Ltd and M/s Abbott GMBH & Co. Ltd were disqualified for failure to meet the preliminary evaluation criteria detailed in Appendix XIII. Two (2) bidders, M/S Sysmex Europe GMBH and M/S Human GMBH proceeded to technical evaluation since they met the preliminary evaluation criteria.

Technical evaluation

3.4.3.41 The two (2) bidders were subjected to technical evaluation criterion. M/S Sysmex Eorope GMBH attained a score of fifty-six (56) out seventy (70) points as required by the technical evaluation criterion while M/S Human GMBH attained a score of fifty-one (51) out seventy (70) points which was below the required threshold. M/S Sysmex Eorope GMBH proceeded to financial evaluation.

Financial evaluation

3.4.3.42 M/s. Sysmex Eorope GMBH scored a total of 30 points at evaluation stage. The total aggregate score of both technical and financial evaluation was therefore eighty-six (86) points. The committee recommended that the contractor being the lowest evaluated responsive bidder, be awarded the tender at a sum of USD29,964,830. The committee further observed that this price was below the Public Sector Comparator price of USD49,754,399 developed by financial consultant.

Tender award

3.4.3.43 The MTC approved the award of the tender to M/s. Sysmex Eorope GMBH at a tender sum of USD 29,964,830.00. On 21 November 2014, the then Director for Medical Services Dr. Nicholas Muraguri wrote to M/s. Human GMBH informing them that their bid was successful. On the same day he also wrote regret letters to other unsuccessful bidders. The contract was however not availed to us for audit review.

LOT 4: (Laboratory Equipment, Category2)

3.4.3.44 Two bids were received as detailed below:

Table 32: Tender Prices for Laboratory equipment, Category 2-LOT 4

	Name of bidder	Amount quoted (USD)
1	Aquachem Technologies Ltd	713,738,000
2	Immucor Med Diagnostik	3,356,720

3.4.3.45 All the two bidders failed at the preliminary evaluation stage since they did not meet the preliminary evaluation criteria detailed in Appendix XIII and were therefore disqualified. In this regard, the MTC approved the recommendation by the evaluation committee that the tender be re-advertised.

3.4.3.46 Interview with the Head of Supply Chain Management at MOH, Mr. Peter Mwangi on 02 August 2017 noted that the Ministry had not commenced the re-tendering process.

LOT V Renal Equipment

Preliminary Evaluation

3.4.3.47 Two bidders responded as detailed below:

Table 33: List of bidders who responded

Bidder No.	Particulars	Tender Price in USD
1	Aquachem Technologies Ltd.	30,190,000.00
2	Bellco Ltd	23,691,059.00

3.4.3.48 The two bidders were subjected to preliminary evaluation to determine whether they met mandatory requirements. M/s. Aquachem Technologies Ltd was disqualified for failure to meet preliminary evaluation requirements detailed in Appendix XIII. M/s. Bellco ltd met all the mandatory requirements and was therefore considered for the technical evaluation.

Technical Evaluation

3.4.3.49 The bidder was evaluated for technical compliance and scored a total of fifty-nine (59) out of seventy (70). According to the tender evaluation criteria, bidders that

scored higher than fifty-six (56) points under technical evaluation criteria qualified for financial evaluation. The bidder therefore proceeded to financial evaluation.

Financial Evaluation

3.4.3.50 The bidder was subjected to financial evaluation criteria detailed in Appendix XIII and scored of 30 points. The total aggregate score for both technical and financial evaluation was therefore 89 points.

3.4.3.51 The Tender evaluation committee recommended that M/s. Bellco ltd be awarded the contract at the tender sum of USD 23,691,059.00 since the bidder's price of USD 23,691,059.00 was less than the financial consultant's estimates of USD 34,259,165.

Tender award and contract

3.4.3.52 On 18 November 2014 the MTC awarded the tender for supply of Renal Equipment to M/s. Bellco ltd at a cost of USD 23,691,059.00 for a contract period of seven years. The contract was signed between Cabinet Secretary Ministry of health and M/s. Bellco Ltd. The total contract price was USD 23,691,059.00 made up of USD 20,423,326.72 as cost of equipment and USD 3,267,732.28 as VAT. The amounts were to be paid in 28 installments of USD 846,109.25

LOT VI: ICU Equipment

Preliminary Evaluation

3.4.3.53 According to the tender register, only one tenderer, M/s. Philips Medical Systems submitted their bid at a tender price of USD 36,492,176.68. Preliminary evaluation was conducted to ascertain whether the bidder complied with all mandatory requirements outlined in the tender evaluation criteria detailed in Appendix XIII. The results indicated that the bidder complied with all the mandatory requirements and was recommended to proceed to the technical evaluation stage.

Technical Evaluation

3.4.3.54 The bidder was subjected to technical evaluation criteria detailed in Appendix XIII. The results indicated that the bidder scored a total of 61 points which was above the minimum required 56 points indicated in the tender evaluation criteria. The

evaluation committee recommended the bidder to proceed to financial evaluation stage.

Financial Evaluation

3.4.3.55 The bidder was subjected to financial evaluation criteria detailed in Appendix XIII and scored a total of thirty (30) out of thirty (30) points. The total score for both technical and financial evaluation for this bidder was therefore ninety-one per cent (91%). The bid price of USD36,492,176.68 was found to be lower than the PSC price of USD51,268,663 recommended by the financial consultant. Consequently, the committee recommended the MTC to award the tender to M/s. Philips Medical Systems at a contract sum of USD36,492,176.68.

Tender award and contract

3.4.3.56 The MTC meeting held on 18 November 2014 awarded the tender for supply of ICU Equipment to M/s. Philips Medical System at a contract price of USD36,492,176.68. The signed contract agreement between MOH and Ms. Philips Medical Systems was not availed as at the time of completing this audit.

LOT VII: Radiology Equipment

Preliminary Evaluation

3.4.3.57 Five bidders responded to the advertisement as indicated below:

Table 34: Bidders who participated in tender for supply of Radiology Equipment

Bidder No	Particulars	Tender Price in USD
1	Retina (EA) Medical Services	11,322,864.00
2	Sirona Dental Systems South Africa (Pty) Ltd.	3,109,844.81
3	Fujifilm Middle east FZE	209,830,638.84
4	Philips Medical Systems	201,839,040.68
5	General Electric East Africa Services Ltd	238,279,502.00

3.4.3.58 The five bidders were subjected to preliminary evaluation to determine whether they were responsive. Four bidders; M/s Retina (EA) Medical Services, M/s Sirona

Dental Systems South Africa (PTY) Ltd, M/s Fujifilm Middle East FZE and M/s Philips Medical Systems did not meet the mandatory requirements detailed in **Appendix XIII** and were disqualified: M/s. General Electric East Africa Services Ltd fulfilled all mandatory requirements and proceeded to technical evaluation stage.

Technical Evaluation

3.4.3.59 The bidder was subjected to technical evaluation criteria detailed in **Appendix XIII.** The results indicated that the bidder scored a total of sixty-seven (67) points which was above the minimum required fifty-six (56) points indicated in the tender evaluation criteria. The evaluation committee recommended that the bidder proceeds to financial evaluation stage.

Financial Evaluation

3.4.3.60 The bidder was subjected to financial evaluation criteria detailed in **Appendix XIII** and scored a total of thirty (30) out of thirty (30) points. The total score for both technical and financial evaluation for this bidder was therefore ninety-seven out of one hundred points. The bidder price of USD238,279,502 was found to be less than the PSC price of USD440,526,360 recommended by the financial consultant. The committee recommended the MTC to award the tender for supply of Radiology Equipment to M/s. Philips Medical Systems at a contract sum of USD238,279,502.

Tender award and contract

3.4.3.61 The MTC meeting held on 19 November 2014 awarded the tender for supply of Radiology Equipment to General Electric East Africa Services Ltd at a cost of USD238,279,502 for a contract period of seven years. The contract between the MOH and General Electrical East Africa Services Ltd was signed between Cabinet Secretary Ministry of health and M/s. General Electric East Africa Services Ltd. The total contract price was USD238,279,499 made up of USD205,413,361 as cost of equipment and USD32,866,138 as VAT. The amounts were to be paid in 28 installments of USD8,509,982.

Payment process

3.4.3.62 Examination of the MOH's Development Cash book, payment vouchers, bank account statement and IFMIS generated Account Analysis report established that the MES Contractors had been paid as follows:

Table 35: Payment made to suppliers and consultants of MES equipment

Date	Lot No.	Payee	Voucher No.	Amount in USD	Amount in Kshs.
2015/16					
17.08.2015	1	Mindray Medreal Kenya Limited	3	1,183,214.01	113,723,430.00
22.12.2015	1	Mindray Medreal Kenya Limited	107	1,642,551.00	167,868,712.20
		Total amount paid Lot 1			281,592,142.20
17.08.2015	2	Esteem Industries Inc.	4	1,239,685.17	119,151,100.00
22.12.2015	2	Esteem Industries Inc.	108	80,204.10	8,195,255.00
03.02. 2016	2	Esteem Industries Inc.	123	3,143,856.19	321,616,488.00
04.04.2016	2	Esteem Industries Inc.	180	3,143,856.19	319,193,203.00
		Total amount paid Lot 2			768,156,046.00
17.08.2015	5	Bellco Srl.	6	2,838,629.30	272,832,016.00
07.12.2015	5	Bellco Srl.	87	186,040.78	19,199,408.60
		Total amount paid Lot 5			292,031,424.60
11.09.2015	7	GE East Africa Services Ltd.	13	6,960,000.00	740,603,040.00
21.08.2015		Iseme, Kamau and Maema Advocates	8	496,000.00	47,672,544.00
		Total paid in			2,130,055,196.80
2014/15					
Feb 23, 2015	0723/2014/1	VAT in respect of PKF'S payment for consultancy services offered			598,032.00
Feb 23, 2015	0723/2014	5% WHT in respect of PKF'S payment for Consultancy Services offered			186,885.00
Feb 23, 2015	0723/2014	PKF Consulting Ltd			3,550,815.00
		Total paid in 2014/15			4,335,732.00
		Grand Total			2, 134,390,928.80

3.4.3.63 Out of the above payments made, the Ministry did not avail payment vouchers for amounts paid to PKF consultants totaling Kshs.4,335,732,captured in the Development Cash book and IFMIS generated Account Analysis Report

Table 36: Payment vouchers not availed

Date	Lot No. / Ref	Payee	Amount in Kshs.
17.08.2015	1	Mindray Managed Kenya Limited	113,723,430.00
17.08.2015	2	Esteem Industries Inc.	119,151,100.00
17.08.2015	5	Bellco Srl.	272,832,016.00
Feb 23, 2015	0723/2014/1	Commissioner of VAT in respect of PKF'S payment for consultancy services offered	598,032.00
Feb 23, 2015	0723/2014	Commissioner of Income Tax- 5% WHT in respect of PKF'S payment for Consultancy Services offered	186,885.00
Feb 23, 2015	0723/2014	PKF Consulting Ltd	3,550,815.00
		Total	510,042,278.00

3.4.3.64 It was noted that all payment vouchers availed were not supported with inspection and acceptance committee reports, however, they were supported with completion certificates signed by the Chairman, Project Implementation Committee, Mr. Morang'a Morekwa.

3.4.4 Purchase of food rations/supplements

3.4.4.1 Other than LPOs and payment vouchers, the MOH Management did not avail documents relating to the procurement process for food rations and supplements. In absence of these records, the special audit could not establish the number of bidders who participated in the bid and whether or not the process complied with public procurement laws and regulations.

3.4.4.2 The special audit established that the MOH issued LPOs and letters of credits (LCs) amounting to Kshs.507,793,050 to two firms Ltd for supply of food ratios/supplements as detailed below:

Table 37: LPOs issued by MOH for supply of food supplements

Date	Firm	Item	LPO No.	Amount in Kshs
Not indicated	M/s. Lifecare Medics Ltd.	Supply and delivery of Ready to Use Supplementary Food (RUTF)- 13990 boxes of 150 sachets of 92gms at Kshs.11,850 per box	2614392	165,781,500
Not indicated	M/s. Lifecare Medics Ltd.	Supply and delivery of: (1) Ready to Use Therapeutic Food (RUTF)- 7723 boxes of 150 sachets of 92gms and (2) Ready to Use Supplementary Food (RUSF)- 715 boxes of 150 sachets of 92gms at Kshs. 11,850 per box	2614393	100,000,000
04.04.2016	M/S Sundales Ltd.	Supply and delivery of Corn soya Blend (CSB)- 8000 bags at Kshs.5,125	2614361	41,000,000
04.04.2016	Lifecare Medics Ltd.	Supply and delivery of Ready to Use Therapeutic Food (RUTF)- 16963 boxes of 150 sachets of 92 gms at Kshs. 11,850 per box	2614366	201,011,550
		Total		507,793,050

3.4.4.3 The food rations were delivered by the suppliers to the KEMSA Warehouse in Embakasi between 22 May 2016 and 25 August 2016 after which payments were made to suppliers as detailed below:

Table 38: Payments by MOH for supply of food supplements

Date	Description of Payee	PV No.	Amount in Kshs.
27.05.2016	Lifecare Medics Ltd	4702	201,011,550.00
15.06.2016	Sundales International Limited	001/06/16	41,000,000.00
30.06.2016	Co-operative Bank of Kenya (Lifecare Medics Ltd -Letter of Credit	005819/ (266)	100,000,000.00
30.06.2016	Co-operative Bank of Kenya- Letter of Credit in respect of Lifecare Medics Ltd.	005799/(267)	165,781,500.00
Total			507,793,050.00

3.4.4.4 The Head of Accounting Unit, Mrs. Joyce Mutugi explained that that since it was end of the financial year and importation of food rations was underway, the supplier needed a commitment from MOH inform of a letter of credit (LC). As a results, on 29 June 2016 vide letter ref. MOH/ACC/4/10/20 VOL. 1/ (22) Mrs. Joyce Mutugi and her deputy Mr. Joseph M. Kiraita wrote to the Manager Co-operative Bank Ltd., Co-op House Branch requesting for opening of a Letter of Credit in favour of Lifecare Medics Ltd for Kshs.165,781,500 in respect of LPO No. 2614392 and for Kshs.100,000,000 in respect of LPO No. 2614393 respectively.

3.4.4.5 On 6 July 2017, a total of Kshs.265,781,500 was transferred from MOH's CBK account to its Co-operative Bank Account No. 012460019778 in regard to the LC. The supplier was paid a total of Kshs.265,771,800 between 8 August 2016 and 30 August 2016.

3.4.4.6 The food rations were then distributed to health facilities distributed in the 47 County Governments. The special audit conducted an inspection in ten County and Sub-county hospitals and verified that all the food rations issued by KEMSA were received at the health facilities and were issued out to patients who suffer from malnutrition, HIV patients and adults enrolled under the therapeutic programme. The County hospitals inspected were Nyeri, Laikipia, Lamu, Kilifi, Mombasa, Narok, Nakuru, Migori, Bungoma and Kisumu.

3.4.5 **Construction works at Bungoma County Hospital**

Budgetary allocation

3.4.5.1 Construction and upgrading of Bungoma County Referral Hospital was initiated as a presidential directive following the President's visit to the County.

3.4.5.2 Subsequently, an amount of Kshs.100,000,000 was allocated in the MOH supplementary budget for financial year 2015-2016 for expansion and equipping of the County Referral Hospital in a bid to reinforce its referral capacity. On 19 April 2016 the Ministry of Health disbursed the Kshs.100,000,000 to the Bungoma County Revenue Fund A/C No. 1000171518.

Procurement process

3.4.5.3 The special audit established that, Bungoma County government awarded three contracts for the upgrading of the Bungoma County Referral Hospital as detailed below;

Table 39: Contracts for upgrading of the Bungoma County Referral Hospital

	Project	Contractor	Contract Sum (Kshs)	Amount Paid (Kshs)
1	Proposed renovation of Bungoma County referral Hospital BGM/CNTY/DT/01/15/16	M/s M'BIG Ltd P.O. Box 732 Bungoma	66,202,731.20	28,839,582.40
2	Erection and Completion of Casualty Complex and External works BGM/MOH/OT/01/16/17	M/s Two Calves Investments Ltd. P.O. Box 140 Butere	70,659,329.00	17,715,079.20
3	Construction of perimeter fence for Bungoma County Referral Hospital BGM/MOH/OT/02/16/17	M/s Lunao Enterprises. P.O. Box 2535 Bungoma	53,294,758.40	25,190,316.40

Proposed renovation of Bungoma County Referral Hospital- Tender No. BGM/CNTY/DT/01/15/16

3.4.5.4 The project had been factored in the county annual procurement plan for financial year 2015/2016 as a direct procurement. This project was co-financed by the County Government of Bungoma (Kshs.20,000,000) and the National Government (Kshs.46,000,000).

3.4.5.5 On 29 May 2015 by Mr. Bernard N. Mureka, Chief Officer of Health, wrote to the Head of Supply Chain Management informing him that the Ministry of Health urgently needed to carry out renovations at the Bungoma County Referral Hospital.

3.4.5.6 Further, on 18 June 2015 the Chief Officer of Health wrote to the County Works Officer requesting him to send a team of officers to inspect the facility and come up with the bill of quantities.

3.4.5.7 On 9 July 2015, the County Tender Committee (CTC) approved use of direct procurement method to source for a potential contractor who would carry out renovation of the county referral hospital in the shortest time possible. The CTC cited urgency of the renovation works as per Section 74 of the PPDA.

3.4.5.8 The Contractor submitted his bid on 14 July 2015 that reflected a bid price of Kshs.66,202, 731.20 for renovation work. The tender was evaluated on 15 July 2015 and the evaluation committee recommended award of the tender to M/s. M'BIG Ltd of P.O Box 732 - 50200- Bungoma at a total tender cost of Kshs.66,202,731.20.

3.4.5.9 On 16 July 2015, Mr. Murumba Chiuli, the County Secretary, notified M/s. M'Big. Ltd of the award vide their letter ref: CG/BGM/NOA/VOL.I (278). On the same day the Contractor accepted the award of the tender. At this time, the CTC had not awarded the tender.

3.4.5.10 On 27 July 2015, the CTC approved the evaluation committee's recommendation and awarded the tender to M/s. M' Big Ltd at a contract price of Kshs. 66,202,731.20. This was eleven days after notification and acceptance of the tender award had been done.

3.4.5.11 The contract between the county government and the M/s. M'Big Ltd. was signed on 4 August 2015. The County government was represented by Bernard N Mureka, Chief Officer Health and Kenneth M Chuaga, Director of M/s. M'Big Ltd. The delivery period of the contract was 52 weeks. As at the time of audit the contractors had been paid a total of Kshs.28,839,582.40. The project was still ongoing and site inspection reports by the project manager indicated that it was 80% complete.

Erection and Completion of Casualty Complex and External works- Tender No. BGM/MOH/OT/01/16/17

3.4.5.12 The requisition for the proposed erection and completion of casualty Complex and external works was raised on 21 June 2016 by Mr. Bernard N. Mureka, Chief Officer of Health. The tender was advertised on 08 July 2016 in the Standard Newspapers.

3.4.5.13 Tender opening was done on 22 July 2016. Twelve (12) firms submitted their bids. These were; Golden image Spl, M' Big Ltd, Tenstone Ltd, Reassomu Agencies, two

calves Investment, Filtego group Ltd, Tyan con services, Eldo-rosta ltd, Badrish Builders Ltd, Lunao enterprises, Open yard developers and Wilkori Building & Civil.

3.4.5.14 Members of the tender evaluation committee were appointed on 22 July 2016 as per the Section 46 of PPAD Act.2015. The evaluation of the submitted bids was done in three stages: determination of responsiveness, detailed technical examination and financial evaluation.

3.4.5.15 Eleven (11) firms were disqualified at the preliminary evaluation stage for failure to meet the mandatory requirements. Only one firm M/s. Two calves Investment Ltd. proceeded to technical and financial evaluation.

3.4.5.16 The evaluation committee recommended award of the tender to M/s. Two Calves Investment Ltd. at a contract sum of Kshs.70,659,329. The professional opinion was given on 16 August 2016 by the Head of Procurement. M/s. Two Calves Investment Ltd was subsequently awarded the tender on 17 August 2016 by Mr. Bernard N. Mureka, Chief Officer of Health at a total contract sum of Kshs.70,659,329.

3.4.5.17 The contract between the county government and the contractor was signed on 31 August 2016 by Mr. Bernard N Mureka, Chief Officer Health and Daniel Siyisia Abuao, Director of M/s. Two Calves Investment Ltd at a contract sum of Kshs.70,659,329.00. As at the time of audit the contractor had been paid a total of Kshs. 17,715,079.20 and the project was still on going.

Construction of perimeter fence for Bungoma County Referral Hospital- Tender No. BGM/MOH/OT/02/16/17

3.4.5.18 The requisition for the construction of the perimeter fence was done on 21 June 2016.Consequently, an advertisement was placed in the Standard Newspapers on 8 July 2016.

3.4.5.19 Tenders were opened on 22 July 2016 and the following twenty (20) firms submitted their bids: Homeland EA Ltd, M Big Ltd, Eliemmy agencies, Reassoum Agencies, Fayre Ventures, Filtego group Ltd, Kadii Construction, Eldo Rosta, Sarit Building and C. Eng., Lunao Enterprise, Open yard Ltd, Wilkori Building, Wincox General Con, Nalua Building & Con, Eswancon Solutions, Jowk Enterprises, Namamuka Agencies, Maltrio Agencies, Xavier Group of Tech, Midfirm Ent. Ltd.

3.4.5.20 Members of the tender evaluation committee were appointed on 22 July 2016.The evaluation was done in 3 stages; determination of responsiveness, detailed technical examination and financial evaluation.

3.9.33 A total of fifteen (15) firms were disqualified at the preliminary evaluation stage for failure to meet the mandatory requirements and only five (5) bidders proceeded to the technical evaluation. At the technical evaluation stage four (4) bidders were found to be non- responsive and were therefore disqualified. Only M/s. Lunao Enterprises Ltd proceeded to the financial evaluation.

3.9.34 The evaluation committee recommended the tender to be awarded to M/s. Lunao Enterprises Ltd at a contract sum of Kshs.53,294,758. The professional opinion was given on 16 August 2016 recommending award of tender to M/s. Lunao Enterprises Ltd. Subsequently Mr. Bernard N. Mureka, the Chief Officer Health awarded the tender and notified the contractor of the award on 17 August 2016. On the same day the unsuccessful bidders were also notified.

3.9.35 The contract between the county government and the contractor was signed on 31 August 2016 by Bernard N Mureka, Chief Officer Health and Benson K Mbaisi, Director of M/s Lunao Enterprises Ltd. at a contract sum of Kshs.53,294,758. As at the time of audit, the contractor had been paid a total of Kshs.25,190,316 and the project was still on going.

3.4.6 Construction Works at Lamu County Hospital

Advertisement and tender opening

3.4.6.1 On 4 May 2016, the Lamu County Chief Officer (CO) Health, Sanitation and Environment wrote to Chief Officer Finance requesting for procurement of a contractor for construction of Emergency Operating Theatre/Renal/ICU at King Fahd Hospital, Lamu County to facilitate upgrading of the hospital to a Level - 5 Hospital.

3.4.6.2 The project was factored in the Lamu County Integrated Development plan for 2013-2017. Subsequently, the County Government allocated the project a total of Kshs.178,979.068 in its development budget for 2015-2016. This was to be co-

financed by both the National and County Governments. The National Government through the MOH provided a special purpose grant of Kshs.100,000,000 following a presidential directive.

3.4.6.3 On 19 April 2016 the County received Kshs.100,000,000 from the MOH through its County Revenue Fund A/c. No. 1000242857. The invitation to tender was sent out on 06 May 2016. Bids were opened on 24 May 2016 and the following three bidders responded:

Table 40: Payments by MOH for supply of food supplements

No.	Name	Price (Kshs)
1	Mobash Construction Co. Ltd P. O. Box 222 -70100 GARISSA	99,572,580.32
2	Khalil & Co. Ltd P. O. Box 2854-00100 NAIROBI	93,573,440.00
3	Centurion Engineers & Builders ltd P. O. Box 69968- 00100 NAIROBI	96,736,439.48

3.4.6.4 The tenders were checked for mandatory requirements namely; form of tender, company registration, NCA/ERC/CCK registration certificate/ VAT registration certificate, valid tax compliance certificate/ valid bid bond, valid business permit. Any tender that did not meet any of these requirements was considered non responsive and therefore disqualified. M/s. Bobash Construction Co. Ltd. did not provide a valid bid bond and valid business permit and was therefore disqualified.

Technical evaluations

3.4.6.5 Technical evaluations were done on 25 May 2016. The evaluation criteria required that responsive bidders had to score at least 70 out of 100 points (70%). M/s Khalil & Co. Ltd scored 81 points and M/s Centurion Engineers & Builders ltd scored 95 points.

3.4.6.6 M/s Khalil & Co. Ltd and M/s Mobash Construction Co. Ltd scored above the minimum threshold of 70 points and they proceeded to the next stage of evaluation which involved checking for compliance with general and special technical specification

and provision of work programme, catalogues and brochures. These were awarded a maximum of 50 points.

3.4.6.7 M/s. Khalil & Co. Ltd did not provide a completely filled work programme indicating the method and duration of the carrying out the project and was awarded 25 points. M/s Centurion Engineers & Builders complied with the general and special technical specifications and provided the work programme and was awarded 50 points.

Financial Evaluation

3.4.6.8 The firms were further subjected to financial evaluation which involved checking the quoted bids for arithmetic errors based on the rates and the total sums indicated in the bills of quantities of Kshs.101,203,359.

3.4.6.9 Financial score was computed using the formulae: Fs=20 x Fm/F; where Fs is Financial score; Fm is lowest priced responsive financial bid and F is the price of the bid under consideration.

M/s. Khalil & Co. Ltd. = 20 + (93,573,440/93,573,440) = 21; and M/s Centurion Engineers & Builders = 20 + (93,573,440/96,736,439.48) = 20.97

3.4.6.10 The final score was computed as a combination of Technical, Tender Sum Comparison and Financial scores: M/s. Khalil & Co. Ltd. scored 46 while M/s. Centurion Engineers & Builders Ltd scored 70.97. The scores were arrived at as detailed in Appendix XIV.

3.4.6.11 The financial evaluation criteria required that a bidder whose score was 70% and above to be recommended for award. The Evaluation committee recommended M/s. Centurion Engineers and Builders Ltd to be awarded the tender at a contract sum of Kshs.96,736,439.

Tender Award

3.4.6.12 In line with Section 84 (3) of the Public Procurement and Asset Disposal Act (PPADA) 2015 the CO Health, Sanitation and Environment granted approval for the construction works by M/s. Centurion Engineers & Builders at a cost of Kshs.96,736,439.48 on 2 June 2016.

3.4.6.13 On 10 June 2016 an Agreement between the County Government of Lamu represented by Chief Officer of Health, Mohamed Abubakar and Centurion Engineers & Builders Ltd represented by Eng. Sammy Singh. Subsequently Local Service Order (LSO) No. 1206584 of Kshs. 96,736,439.48 was issued to M/s. Centurion Engineers & Builders Ltd on 13 June 2016.

3.4.6.14 The Project Management team comprising of Eng. Githui J.N, Arafat Said Aroi, Philip Esibi Oduori, Mohamed M. Shambe and Masuo M. Masuo approved the increase in scope of works in the bill of quantities from Kshs.96,736,439.48 to Kshs.107,949,250.12. The variation was subsequently approved by the CO, Health.

3.4.6.15 As at the time of audit a total of Kshs.106,336,977.51 had been paid to the contractor as detailed below:

Table 41: Payments for upgrading of Lamu County Hospital

Date	Certificate Number	Amount in Kshs.
20/06/2016	1	14,510,465.92
15/08/2016	2	19,261,790.72
26/09/2016	2	17,166,143.99
24/10/2016	3	13,781,776.14
23/11/2016	4	12,771,838.85
19/12/2016	5	12,483,632.98
20/01/2017	6	2,935,431.77
10/02/2017	7	3,516,604.25
14/03/2017	8	4,615,020.41
24/05/2017	9	5,294,272.48
Total		106,336,977.51

3.8.27 The special audit conducted a site inspection on 8 June 2017 and established that the commissioning of the hospital had not been done. Construction works was complete and was awaiting installation of equipment under the Medical Equipment Services (MES) project. The constructed complex comprises of the Accident & Emergency, Outpatient and Theatre on the ground floor and ICU and Renal Units on the first floor.

3.4.7 Upgrading of Nanyuki County Hospital

3.4.7.1 In the financial year 2012-2013, the MOH carried out procurement process for provision of consultancy services for Architectural, Quantity Surveying/ Electrical & Mechanical/ Civil & structural Engineering/ Environmental Consultants and Land Surveying.

3.4.7.2 The objective of the consultancy was to facilitate and develop designs, specifications and bills of quantities for the execution of the proposed facilities comprising staff houses, 24 body mortuary, Kitchen, Laundry, Administration block, Workshops and External works.

3.4.7.3 Other than the contract agreement, the MOH Management did not avail documents to support the procurement process for the upgrading. Consequently, the special audit could not confirm whether or not the procurement process for upgrading the Nanyuki District Hospital to a Teaching and Referral Hospital complied with PPAD, 2015 and PPDA, 2005 where applicable.

3.4.7.4 A review of expenditure records established that the MOH engaged a consortium of four consultants; Ms. Mecoy Consultants Ltd (Electrical and mechanical engineering), M/s. Nyaundi Architects (Pre- contract consultancy services on civil/ structural services), Ms. Builecon Associates (Quantity surveying services) and Ms. Otieno Odongo & Partners (post contract consultancy services on civil/ structural services).

3.4.7.5 The special audit established that the MOH paid the consultants a total of Kshs.200,000,000 as follows:

Table 42: Payments for consultancy fee for upgrading of Nanyuki County Hospital

No.	Date	Description of Payment	Ref. No.	Amount in Kshs.	Remarks
1	06.04.2016	Being part payment due to Ms. Mecoy Consultants Ltd	545	39,465,223.40	2nd fee note electrical and mechanical engineering
2	06.04.2016	Being part payment due to Ms. Nyaundi Architects	546	74,256,807.00	Pre- contract consultancy services on civil/ structural services

No.	Date	Description of Payment	Ref. No.	Amount in Kshs.	Remarks
3	06.04.2016	Being part payment due to Ms. Builecon Associates	548	44,220,099.95	Quantity surveying services
4	06.04.2016	Being part payment to Ms. Otieno Odongo & Partners	549	42,057,869.65	Pre & post contract consultancy services on civil/ structural services
	Total			200,000,000	

3.4.7.6 The MOH Management explained that procurement for construction works had not been done.

3.4.8 Construction Works at Othaya Sub-County Hospital

3.4.8.1 The construction of the hospital is done by National Government under the supervision of Ministry of Health. The MOH did not avail documents relating to procurement process for construction. Consequently, the special audit could not confirm whether or not the process complied with the Public Procurement Laws.

3.4.8.2 A review of the payment schedule availed for audit revealed that a total Kshs.196,865,374.00 had been charged to Othaya Sub-County Hospital budget.

3.4.9 Free Maternity Fund

3.4.9.1 Free Maternity Fund programme operates on re-imbursement basis. The programme is managed through the District Health Information System (DHIS) that integrates health systems at the MOH and the County Governments. It was also noted that data relating to deliveries at the health facilities is uploaded on the District Health Information System (DHIS). The County Governments do not forward to MOH claims for the deliveries made.

3.4.9.2 MOH utilizes data in the DHIS system to compute the amount due for re-imbursement to each health facility and reimburses the County Governments through the County Revenue Funds (CRF) Accounts. The re-imbursement rate per delivery depends on the

level of the hospital. Levels 4 & 5 hospitals are reimbursed at a rate of Kshs.5,000 per deliver while level 2& 3 are reimbursed at a rate of Kshs.2,500 per delivery.

3.4.9.3 An amount of Kshs.4,298,000,000 was allocated in the County Allocation Revenue Act 2015 (CARA,2015) as a conditional grant for free maternal and child health care programme. The special audit established that a total of Kshs.4,256,158,560.00 had been spent by the MOH as follows:

Table 43: Utilization of Free Maternity Funds

	Particulars	Amount (Kshs)
1	Disbursements to County Governments	3,647,070,000
2	Expenditures incurred yet not related to free maternity	609,088,560
3	Total	4,256,158,560

Disbursements to County Governments

3.4.9.4 The amount of Kshs.3,647,070,000 was disbursed by MOH in the financial year 2015-2016, to County Governments towards Free Maternal and Child Health Care Programme as detailed below:

Table 44: Disbursement of free maternity funds to County Governments

Date	PV No.	Amount (Kshs)	Remarks
30.10.2015	73	1,482,945,000.00	Quarters Three (3) and Four (4) of FY 2014-2015
22.12.2016	805	171,100,000.00	Reimbursement for Quarter Two (2)- November and December 2014-2015
10.03.2016	160	297,352,500.00	Balance of 1st half of FY 2015-2016
06.05.2016	217	818,770,000.00	Reimbursement for Quarter Three (Q3) of FY 2015-2016
17.06.2016	295	876,902,500.00	Reimbursement for Quarter Four (Q4)of FY 2015-2016
TOTAL		3,647,070,000	

Expenditures incurred yet not related to free maternity

3.4.9.5 The special audit established that the MOH made payments totaling Kshs.609,088,560 to settle pending bills for items not related to free maternal and Health care programme as detailed below:

Table 45: Disbursement of free maternity funds to County Governments

	Particulars	Amount (Kshs)
1	Payments to Estama Investments Ltd. for supply of 20 portable clinics.	200,000,000
2	Payments for supply of hospital supplies, goods and services	409,088,560
	Total	609,088,560

3.4.9.6 There was no evidence that the aforementioned reallocations of Kshs.609,088,560 were approved by the National Treasury. Further, MOH did not maintain a register of all budgetary reallocations made during the year as per section 48(2) of the PFMR, 2012.

3.4.9.7 The special audit visited ten Counties namely: Nyeri, Laikipa, Lamu, Kilifi, Mombasa, Narok, Nakuru, Migori, Bungoma and Kisumu. In all these Counties, it was explained that there was no policy or standard operating procedures governing the free maternal and child health care programme.

3.4.9.8 All the Counties Governments visited confirmed that they received the free maternal and health care funds through their County Revenue Fund (CRF) accounts. However, MOH does not forward to them supporting documentation indicating the number of deliveries funded and the period to which funds that are deposited in their CRF accounts relate to. Consequently, County Governments could not maintain records to track and monitor reimbursement of claims from the MOH.

3.4.9.9 The special audit also noted a disparity between the number of deliveries reported by the County Governments and those used by MOH to arrive at the amounts payable. While the ten County Governments had reported a total of 204,361 deliveries, MOH reported a total of 203,482 resulting in a variance of 879 deliveries.

3.4.9.10 The total amount payable to the county governments for the 204,361 deliveries was Kshs.937,362,400. MOH reimbursed County Governments a total of Kshs.472,172,500 resulting in a variance of Kshs.465,189,900. It was therefore apparent that the MOH and County Governments do not reconcile records relating to deliveries and amounts paid.

3.5 Disbursement by Development Partner to Ministry of Health

3.5.1 The Ministry of Health had been allocated funding amounting to Kshs.13,739,891,875 by various Development Partners for spending through Appropriations-in-Aid, direct disbursements to the Ministry and allocation to the County Governments. However, actual disbursements were as detailed in the table below:

Table 46: Receipts for Donor funded projects

	Donor	Amount (Kshs.)
1	East Africa Public Laboratory Networking Project (EAPHLNP)	292,866,480
2	Health Sector Support Project-HSSP III	366,850,000
3	Kenya Italy Debt Project (KIDP)	187,960,000
4	Global Fund TB	274,924,525
5	Global Fund	251,640,285
6	ADB EA	30,061500
7	Global Malaria	312,916,693
8	IDA -Health Sector Support Project -HSSP Project	835,563,462
9	Kenya Health Sector Support Project-KHSSP Danida	188,883,815
10	Global Fund-HIV/AIDS	696,590,614
11	IDA East Africa Public Laboratory Networking Project - EAPHLNP	191,852,715
12	DANIDA -HSSP III	277,000,000

	Donor	Amount (Kshs.)
13	IDA -KHSSP	1,372,871,590
	Total	5,279,981,679

3.5.2 The above Development Partner funds were duly audited through the annual statutory audit of the Ministry for the financial year 2015/16, and a report issued on the same. Further, these funds were routinely subjected to oversight by the respective Development Partners through their internal control and annual audit processes.

3.5.3 In order obtain some level of assurance, the special audit sampled Kshs.1,668,300,577 of the aforementioned disbursement with a view of testing controls over management of the funds. Out of the sample, there was no evidence of financial loss of the Development Partners funds. The special audit however noted procedural infractions that are detailed the specific sampled Development Partner component funding as highlighted in the various sections.

3.5.4 From the sample of Kshs.1,668,300,577 to support various projects, there were cash balances brought forward of Kshs.1,078,622,468 from financial year 2014/2015, and an AIA amount of Kshs.216,736,156. As a result, these projects had total cash balances of Kshs.2,963,659,201 available for spending under the various programme as follows:

Table 47: Sampled Development Partner funds for special programs.

Particulars	Balance b/f (Kshs.)	Cash inflows (Kshs)	AIA (Kshs.)	Available cash (Kshs)
Kenya Health Sector Support Project (KHSSF) - Sector Wide Approach (SWAP)	212,948,642	835,563,462	832,361	1,049,344,465
HSSF- Essential Health Commodities and Reform of Supply Chain Management	685,833,644	643,850,000	215,903,795	1,545,587,439
Kenya Health Sector Support Project	179,840,182	188,887,115	-	368,727,297
	1,078,622,468	1,668,300,577	216,736,156	2,963,659,201

1. IDA 4771 KE - Kenya Health Sector Support Project (KHSSP) - SWAP

3.5.5 The project was started on 30 September 2010 and is expected to run until 30 June 2018. It aims at improving delivery of health care services and empowering rural communities to take charge of improving their health thereby reducing heath inequalities of the Kenyan people.

3.5.6 The project's foundation is laid in the National Health Sector Strategic Plan 2005-2012 and operates within a sector wide approach. Since the inception of SWAP in 30 September 2010 the project has received funding from the International Development Association of the World Bank (IDA). The loan amount is channeled to MOH via the National Treasury. In the financial year 2015/16, the MOH had an available cash funding for the program inform of loan proceeds from IDA amounting to Kshs.1,049,344,465 as detailed below:

Table 48: Cash available for Wide Approach (SWAP) World Bank Project

Source	Total (Kshs)
Balance B/f.	212,948,642.34
GOK Exchequer (IDA)	835,563,462.00
Miscellaneous receipts	832,361.00
Total	1,049,344,465.34

3.5.7 Out of the available cash of Kshs.1,049,344,465, the MOH made payments of Kshs.920,469,943 as detailed below:

Table 49: Expenditures for Wide Approach (SWAP) World Bank Project

Expenditure Item	Amount (Kshs)
Compensation of employees	5,501,369.00
Transfer to other government Entities	623,542,837.00
Acquisition of Non-Financial Assets	8,370,988.00
Purchase of goods and services	283,054,749.04
Total	920,469,943.04

3.5.8 The amount of Kshs.623,542,837 relating to transfer to other government entities were transferred to Kenya Medical Supply Agency (KEMSA), Kenya Medical Training College (KMTC), Kenya National Bureau of statistics (KNBS) and Kenya School of

Government (KSG) as follows, and therefore, the utilization were a subject of audit at the various institutions that are recipient of these funds.

Table 50: Wide Approach (SWAP) funds transferred to other GOK entities

Institutions	Amount (Kshs.)	Expenditure item
KEMSA	85,671,637	Purchase of generators and stock cards
KMTC	171,670,000	Training of 800 students from marginalized regions
KSG	357,415,400	Training and workshops
KNBS	8,785,800	Training and workshops
Total	623,542,837	

2. Essential Health Commodities and Reform of Procurement and Supply Chain Management

3.5.9 The program is co-funded by the GOK (Exchequer -AIA) and grants from DANIDA. The DANIDA component is received by MOH through the National Treasury. In the financial year 2015/16, the project's total receipts amounted to Kshs.1,545,587,439 as detailed below:

Table 51: Receipts for GOK (Exchequer -AIA) and grants from DANIDA

Date	Amount (Kshs)
Balance B/F from FY 2014/15	685,833,644.13
Receipts from Danida (24/2/2016)	366,850,000.00
Receipts from Danida (5/4/2016)	277,000,000.00
GOK(Exchequer AIA)	215,903,795.75
Total	1,545,587,439.88

3.5.10 A review of the MOH payment schedule for the financial 2015/16, established that out of the above receipts, MOH made a total payment of Kshs.1,504,030,691, as detailed below:

Table 52: Payments out of GOK (Exchequer -AIA) and grants from DANIDA

Details	Amount (Kshs)
Expenditures directly incurred by MOH	779,878,541.91
Exchequer AIA (MOH expenditures incurred at made the treasury)	215,903,795.75
Transfers to HSSF program	508,245,204.00
Bank charges	3,150.00
Total	1,504,030,691.66

Transfer to Health Sector Support Fund (HSSF)

3.5.11 This component of the project supports effective implementation of Kenya Essential Package for Health (KEPH) targeting health service delivery for levels 1, 2 and 3. Its objective is to empower communities to take charge of improving community health by providing direct cash transfers to Hospital Management Services Fund (HMSF).

3.5.12 According to Section 5(2) (a) of the County Allocation Revenue Act. 2015, an amount of Kshs.508,245,204 was allocated in the financial year 2015/2016 as conditional budget allocations meant for twenty-one counties, and financed by a loan from the World Bank to supplement financing for County Health Facilities. The MOH disbursed the total of Kshs.508,245,204 to the twenty-one counties detailed in **Appendix XV** and as per the aforementioned provisions of the County Allocation Revenue Act. 2015.

3.5.13 Out of the twenty-one Counties, the special audit visited three Counties; Kilifi, Narok and Migori. It was established that all the funds were still held in the respective County Revenue Funds as at 30 June 2016. This was attributed to absence of a Memorandum of Understanding (MOU) with the Ministry of Health to give terms and conditions of how the funds will be utilized.

3.5.14 The amount of Kshs.508,245,204 listed as transfer to HSSF program was a borrowing by HSSF project made on 03 February 2016 but was refunded back on 07 March 2017.

3. Kenya Health Sector Support Program (KHSSP) - DANIDA Non-Pool No.104.Kenya.810.300

3.5.14.1 At the beginning of the financial year 2015/16, the project had a balance of cash brought forward of Kshs.179,840,182. In the same year, the project received

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Kshs.188,887,115 from DANIDA resulting in a total available cash of Kshs.368,727,297.

3.5.14.2 The program incurred expenditures totaling to Kshs.245,906,981 which included transfers to KEMSA of Kshs.184,844,898 and purchase of goods and services of Kshs.61,062,083. The amount of Kshs.184,844,898 transferred to KEMSA was allocated on various items as detailed below:

Table 53: Allocation of KHSSP funds by KEMSA

Date	Item	Amount (Kshs)
26.05.2016	Refurbishment of Mombasa and Kisumu offices	57,000,000.00
07.06.2016	Procurement of Snake Venom Antiserum	28,344,898.00
15.07.2016	Supply of Essential Medical Commodities	99,500,000.00
	Total	184,844,898.00

3.5.14.3 The above mentioned amount was received by KEMSA through its World Bank HSSP Non Pooled A/c. No. 00011056 held at Co-Operative Bank of Kenya, Enterprise Road branch on the aforementioned dates.

3.5.14.4 As at the time of completion of this special audit, Kshs.57,000,000 meant for refurbishment of the KEMSA's Kisumu and Mombasa offices had not been spent. It was also noted that Kshs.28,344,898 was spent on settling 2014-2015 pending bills for procurement of Snake Venom Antiserum, Kshs.99,500,000 was spent on supply of essential medical commodities to slums clinics, nomadic clinics, beyond zero clinics and cholera affected counties namely: Mandera, Nairobi and Wajir.

APPENDIX 1 PRINTED RECURRENT ESTIMATES FOR 2015/2016

	TITLE AND DETAILS	Printed Estimate Original in Kshs.	Appropriation in Aid in Kshs.	Total printed Estimate in Kshs.
1	Headquater Administration and technical Services	1,399,891,641.00	206,000.00	1,400,097,641.00
2	Headquaters and Administrative professional services	3,451,154,937.00		3,451,154,937.00
3	Physiotherapy services	8,288,841.00		8,288,841.00
4	Health Finance secretariat	10,000,000.00		10,000,000.00
5	Planning and Feasibility studies	33,159,769.00		33,159,769.00
6	National Aids control programme	133,296,132.00		133,296,132.00
7	National Quality control laboratories	109,732,532.00	23,974,713.00	133,707,245.00
8	Nursing Services	28,535,247.00		28,535,247.00
9	Health Standards and Regulatory services	154,957,647.00		154,957,647.00
10	Mental Health Services	453,665,436.00		453,665,436.00
11	Spinal Injury hospital	365,344,732.00		365,344,732.00
12	Biometrical/Hospital engineering	5,411,565.00		5,411,565.00
13	Health Services	326,770.00		326,770.00
14	Clinical services	1,703,120.00		1,703,120.00
15	Division of mental Health	27,100,098.00		27,100,098.00
16	Nutrition	789,710.00		789,710.00
17	Radiology services	315,589.00		315,589.00
18	Kenya medical training centre	2,208,947,224.00	1,068,700,000.00	3,277,647,224.00
19	kenya medical supplies agency	335,562,166.00		335,562,166.00
20	Pharmacy services	7,179,310.00		7,179,310.00
21	Kenya National Hospital	6,735,061,541.00	2,016,000,000.00	8,751,061,541.00
22	Moi Referral and Teaching Hospital	4,447,476,867.00	831,000,000.00	5,278,476,867.00
23	Headquaters and Administrative services	27,611,407.00		27,611,407.00
24	Kenya Medical Research institute	1,896,462,265.00		1,896,462,265.00
25	Environmental Health services	34,047,240.00		34,047,240.00

	TITLE AND DETAILS	Printed Estimate Original in Kshs.	Appropriation in Aid in Kshs.	Total printed Estimate in Kshs.
26	Port Health Control	260,519,302.00		260,519,302.00
27	Family Planning maternal and child health	26,714,195.00		26,714,195.00
28	Health education International	42,398,226.00		42,398,226.00
29	National public Health laboratory services	70,718,092.00		70,718,092.00
30	Control of malaria	109,504,036.00		109,504,036.00
31	Kenya Expanded programme immunization	5,107,632.00		5,107,632.00
32	National Leprosy and Tuberculosis control	3,862,583.00		3,862,583.00
33	Vector borne disease control	-		-
34	Special Global Fund	4,636,000.00		4,636,000.00
35	Government chemist	369,812,510.00	6,169,847.00	375,982,357.00
36	Rural Health centres & Dispensaries	900,000,000.00		900,000,000.00
37	Radiation protection Board	73,610,959.00	31,825,917.00	105,436,876.00
38	Medical legal services	9,510,000.00		9,510,000.00
39	Communicable Disease control	21,931,000.00		21,931,000.00
40	National Aids Council	546,000,000.00		546,000,000.00
41	National Blood transfusion Headquaters	215,436,191.00		215,436,191.00
42	Kenya Board of mental Health Headquaters	5,854,000.00		5,854,000.00
	Total	24,541,636,512.00	3,977,876,477.00	28,519,512,989.00

Appendix II: Printed Estimates for Development Expenditure

TITLE AND DETAILS	Printed Estimates in Kshs.
Headquarters administrative and technical services Project Management unit	14,069,940
National Quality control Laboratories Headquarters	19,000,000
District Health services	5,500,000,000
Mental Health services	31,500,000
Spinal injury	29,000,000
Family planning maternal and child health	4,348,000,000
Kenya Medical Training Centre	133,000,000
Kenyatta National Hospital	337,750,000
Moi Referral Hospital	166,250,000
Kenya medical research institute	133,950,000
Government Chemist	57,000,000
Radiation protection board	77,000,000
National Aids Council	133,000,000
National blood transfusion	50,000,000
Rehabilitation of Muhoroni sub- district Hospital	30,000,000
Rehabilitation of Likoni sub- district Hospital	16,000,000
Rehabilitation of Ahero, Tharaka and Nyamberi	18,000,000
Bronchoscopic unit and ICU beds	50,000,000
.Kapenguria Hospital (Debt swap)	20,000,000
Usenge Dispensary	30,000,000
Kigumu Hospital(Debt swap)	20,000,000
National Technical assistance for KIDDP(Debt)	3,960,000
Reproductive health	320,000,000
Health Sector Development(Rep. health and headquarters)	160,000,000
Program for Basic health insurance	700,000,000
Wajir District Hospital	100,000,000
Kenyatta National Hospital	50,000,000
Kenya medical supplies Agency	3,125,141,124
Moi teaching and Referral Hospital-Academic model	364,021,896
Kenya health sector support project KHSSP	2,765,445,000
East Africa public Laboratory networking projects headquarters	581,000,000
HIV/AIDS round 7	1,900,080,979
Tuberculosis Round 6 Headquarters	337,036,773
Malaria Round 10 Special Global Fund- Headquarters	1,641,799,406

TITLE AND DETAILS	Printed Estimates in Kshs.
East Africa's centres of Excellence for skills and Headquarters	360,000,000
Kenyatta National Hospital Headquarters	50,000,000
Rongai Hospital project Headquarters	40,000,000
Kenyatta National Hospital Headquarters	50,000,000
National Aids council	28,097,952
Ministry of Health Reproductive and maternal health headquarters	210,496,268
Communication for Development Headquarters	267,500,000
Nutrition Headquarters	442,000,000
Environmental Health services Headquarters	128,875,000
Food and Nutrition support for vulnerable Headquarters	324,300,000
Health system management headquarters	3,010,000,000
Health sector programme support iii- Headquarter	1,183,092,496
Clinical waste Disposal system project	200,000,000
Training of Health personnel	6,000,000
Rehabilitation of the Ngong Sub District Hospital	40,000,000
Rollout of universal health coverage	-
Total	29,602,366,834

APPENDIX III: SUPPLEMENTARY ESTIMATES I

	Item	Amount (Kshs)
1	Internship program P.E shortfall for intern medical offices, BSC nurses and clinical officers	130,248,380
2	Officers out of payroll e.g. drug inspectorate officers performing National functions and officers released by counties	58,009,708
3	Gratuity for former H.S.S.F Accountants and medical officers whose contracts have ended	40,000,000
4	Extraneous allowance awarded to Government chemist staff by Salaries and Remuneration Commission	24,113,800
5	Disability allowance awarded to people living disability by the Salaries and Remuneration Commission	1,800,000
6	Emergency and contingency fund to cater for El-Nino related epidemic outbreaks, interventions and preparedness	350,000,000
7	Set up of cancer screening programme that will develop policies and cancer treatment initiatives	50,000,000
	Sub- total (I)	654,171,888
	(ii) Development Vote	
No.	Item	Amount (Kshs.)
8	Counterpart funds for procurement of vaccines and immunization under G.A.V.I program, National strategic & emergency stocks and warehousing and distribution costs	543,000,000
9	Consumables and pending bills carried over from F.Y. 2014/2015 in respect to hire of medical equipment program	1,500,000,000
10	Pending bills carried over from F.Y. 2014/2015 in form of reimbursement of births under free maternity programme	1,684,000,000
11	Presidential Directive on 4th January 2016 on construction and equipping of Lamu and Hola hospitals in Lamu	200,000,000
12	Equipping of New Cancer and chronic centre at Moi Teaching and Referral Hospital, Eldoret	300,000,000
13	Procurement of specialized lab equipment and supplies at the National Public Health labs to enhance Aflotixin and water safety management	100,000,000
14	Procurement of Blood bags, reagents and other lab supplies at the National Blood Transfusion service	100,000,000

15	Procurement of specialized medical supplies and equipment to enhance medical legal services at the Government pathologist Department	50,000,000
16	Purchase of Ambulances for Mathari and National Spinal injury referral hospitals	20,000,000
17	GOK counterpart funds to operationalize the financing agreement for the O.B.A -Reproductive health project (kWF-Germany) for the period	60,850,000
18	Construction and equipping of Ileho Health centre, Kakamega Under the Kenya Italy Debt for Development Program (KIDDP)	20,000,000
	Sub- total (II)	4,577,850,000
	Grand Total	5,232,021,888

APPENDIX IV: SUPPLEMENTARY ESTIMATES II (DEVELOPMENT EXPENDITURE)

No.	Item	Amount (Kshs.)
1	Contractual obligations entered into with suppliers for Hire of Equipment Program (MES)	1,500,000,000
2	Pending bills carried over from F.Y. 2014/2015 in form of reimbursement of births in Public health facilities under the Free Maternity Program	1,482,945,000
3	Outstanding commitments and contract amounts for supply of portable mobile health clinics under the Urban Slum Upgrading program	500,000,000
4	Donor funds in respect of Japanese Government (JICA) funded health Sector Program for universal health coverage	1,700,000,000
	Sub Total	5,182,945,000

NOTE: There was no request for recurrent supplementary budget II

Appendix V: Approved Supplementary Estimates

	(I) APPROVED RECURRENT SUPPLEMENTARY ESTIMATES FOR 2015-2016		
	TITLE AND DETAILS	Amount in Kshs.	Remarks
1	Headquarters Administration and technical Services	361,592,594.00	Increase in allocation
2	Headquarters and Administrative professional services	(128,758,294.00)	Decrease in allocation
3	Physiotherapy services	(485,982.00)	Decrease in allocation
4	Planning and Feasibility studies	(467,028.00)	Decrease in allocation
5	National Aids control programme	515,749,022.00	Increase in allocation
6	National Quality control laboratories	(223,850.00)	Decrease in allocation
7	Nursing Services	95,976.00	Increase in allocation
8	Health Standards and Regulatory services	1,320,108.00	Increase in allocation
9	Spinal Injury hospital	2,000,000.00	Increase in allocation
10	Biometrical/Hospital engineering	176,016.00	Increase in allocation
11	Division of mental Health	424,056.00	Increase in allocation
12	Kenya medical supplies agency	(5,496.00)	Decrease in allocation
13	Kenya National Hospital	(43,600,000.00)	Decrease in allocation
14	Moi Referral and Teaching Hospital	(33,800,000.00)	Decrease in allocation
15	Headquarters and Administrative services	502,032.00	Increase in allocation
16	Control of malaria	480,084.00	Increase in allocation
	Sub Total (I)	674,999,238.00	

	(II) APPROVED DEVELOPMENT SUPPLEMENTARY ESTIMATES FOR 2015/2016		
	TITLE AND DETAILS	Amount in Kshs.	Remarks
1	District Health services:		

	(I) APPROVED RECURRENT SUPPLEMENTARY ESTIMATES FOR 2015-2016		
	Non Residential buildings	350,000,000.00	Increase in allocation
	Purchase of medical and dental equipment	50,000,000.00	Increase in allocation
	Non Residential buildings	(530,000,000.00)	Decrease in allocation
	Othaya Hospital	200,000,000.00	Increase in allocation
2	Government Chemist	15,000,000.00	Increase in allocation
3	National blood transfusion	15,000,000.00	Increase in allocation
4	Bronchoscopic unit and ICU beds	(50,000,000.00)	Decrease in allocation
5	Kapenguria Hospital (Debt swap)	(20,000,000.00)	Decrease in allocation
6	Usenge Dispensary	(30,000,000.00)	Decrease in allocation
7	Kigumu Hospital(Debt swap)	(20,000,000.00)	Decrease in allocation
8	HIV/AIDS round 7:		
	Capital grants to semi-autonomous government	(238,669,487.00)	Decrease in allocation
	National Aids Council	178,454,143.00	Increase in allocation
9	Tuberculosis Round 6 Headquarters	253,951,441.00	Increase in allocation
10	Ministry of Health Reproductive and maternal health headquarters	(82,248,134.00)	Decrease in allocation
11	Rollout of universal health coverage	1,785,600,000.00	Increase in allocation
	Sub Total (II)	1,877,087,963.00	
	Total Approved supplementary budget	2,552,087,201.00	

Appendix VI Budget estimates 2015-2016

(a) APPROVED RECURRENT ESTIMATES 2015-2016

	TITLE AND DETAILS	Printed Estimate in Kshs.	Supplementary Estimates in Kshs.	Approved in Kshs.
1	Ministry of Health			-
2	Headquarters Administration and technical Services	1,400,097,641.00	361,592,594.00	1,761,690,235.00
3	Headquarters and Administrative professional services	3,451,154,937.00	(128,758,294.00)	3,322,396,643.00
4	Physiotherapy services	8,288,841.00	(485,982.00)	7,802,859.00
5	Health Finance secretariat	10,000,000.00		10,000,000.00
6	Planning and Feasibility studies	33,159,769.00	(467,028.00)	32,692,741.00
7	National Aids control programme	133,296,132.00	515,749,022.00	649,045,154.00
8	National Quality control laboratories	133,707,245.00	(223,850.00)	133,483,395.00
9	Nursing Services	28,535,247.00	95,976.00	28,631,223.00
10	Health Standards and Regulatory services	154,957,647.00	1,320,108.00	156,277,755.00
11	Mental Health Services	453,665,436.00		453,665,436.00
12	Spinal Injury hospital	365,344,732.00	2,000,000.00	367,344,732.00
13	Biometrical/Hospital engineering	5,411,565.00	176,016.00	5,587,581.00
14	Health Services	326,770.00		326,770.00
15	Clinical services	1,703,120.00		1,703,120.00
16	Division of mental Health	27,100,098.00	424,056.00	27,524,154.00
17	Nutrition	789,710.00		789,710.00
18	Radiology services	315,589.00		315,589.00
19	Kenya Medical Training Centre	3,277,647,224.00		3,277,647,224.00

	TITLE AND DETAILS	Printed Estimate in Kshs.	Supplementary Estimates in Kshs.	Approved in Kshs.
20	Kenya Medical Supplies Agency	335,562,166.00	(5,496.00)	335,556,670.00
21	Pharmacy services	7,179,310.00		7,179,310.00
22	Kenya National Hospital	8,751,061,541.00	(43,600,000.00)	8,707,461,541.00
23	Moi Referral and Teaching Hospital	5,278,476,867.00	(33,800,000.00)	5,244,676,867.00
24	Headquarters and Administrative services	27,611,407.00	502,032.00	28,113,439.00
25	Kenya Medical Research institute	1,896,462,265.00		1,896,462,265.00
26	Environmental Health services	34,047,240.00		34,047,240.00
27	Port Health Control	260,519,302.00		260,519,302.00
28	Family Planning maternal and child health	26,714,195.00		26,714,195.00
29	Health education International	42,398,226.00		42,398,226.00
30	National public Health laboratory services	70,718,092.00		70,718,092.00
31	Control of malaria	109,504,036.00	480,084.00	109,984,120.00
32	Kenya Expanded programme immunization	5,107,632.00		5,107,632.00
33	National Leprosy and Tuberculosis control	3,862,583.00		3,862,583.00
34	Vector borne disease control	-		-
35	Special Global Fund	4,636,000.00		4,636,000.00
36	Government chemist	375,982,357.00		375,982,357.00
37	Rural Health centres & Dispensaries	900,000,000.00		900,000,000.00
38	Radiation protection Board	105,436,876.00		105,436,876.00
39	Medical legal services	9,510,000.00		9,510,000.00

	TITLE AND DETAILS	Printed Estimate in Kshs.	Supplementary Estimates in Kshs.	Approved in Kshs.
40	Communicable Disease control	21,931,000.00		21,931,000.00
41	National Aids Council	546,000,000.00		546,000,000.00
42	National Blood transfusion Headquarters	215,436,191.00		215,436,191.00
43	Kenya Board of mental Health Headquarters	5,854,000.00		5,854,000.00
	TOTAL	28,519,512,989.00	674,999,238.00	29,194,512,227.00

(b) MOH Approved Development Estimates

TITLE AND DETAILS	Printed Estimates in Kshs.	Supplementary Estimates in Kshs.	Approved Development Vote in Kshs.
Headquarters administrative and technical services Project Management unit	14,069,940	-	14,069,940
National Quality control Laboratories Headquarters	19,000,000	-	19,000,000
District Health services	5,500,000,000	70,000,000	5,570,000,000
Mental Health services	31,500,000	-	31,500,000
Spinal injury	29,000,000	-	29,000,000
Family planning maternal and child health	4,348,000,000	-	4,348,000,000
Kenya Medical Training Centre	133,000,000	-	133,000,000
Kenyatta National Hospital	337,750,000	-	337,750,000
Moi Referral Hospital	166,250,000	-	166,250,000
Kenya medical research institute	133,950,000	-	133,950,000
Government Chemist	57,000,000	15,000,000	72,000,000
Radiation protection board	77,000,000	-	77,000,000

TITLE AND DETAILS	Printed Estimates in Kshs.	Supplementary Estimates in Kshs.	Approved Development Vote in Kshs.
National Aids Council	133,000,000	-	133,000,000
National blood transfusion	50,000,000	15,000,000	65,000,000
Rehabilitation of Muhoroni sub- district Hospital	30,000,000	-	30,000,000
Rehabilitation of Likoni sub- district Hospital	16,000,000	-	16,000,000
Rehabilitation of Ahero, Tharaka and Nyamberi	18,000,000	-	18,000,000
Bronchoscopic unit and ICU beds	50,000,000	(50,000,000)	
Kapenguria Hospital (Debt swap)	20,000,000	(20,000,000)	-
Usenge Dispensary	30,000,000	(30,000,000)	-
Kigumu Hospital(Debt swap)	20,000,000	(20,000,000)	-
National Technical assistance for KIDDP(Debt)	3,960,000	-	3,960,000
Reproductive health	320,000,000	-	320,000,000
Health Sector Development(Rep. health and headquarters)	160,000,000	-	160,000,000
Program for Basic health insurance	700,000,000	-	700,000,000
Wajir District Hospital	100,000,000	-	100,000,000
Kenyatta National Hospital	50,000,000	-	50,000,000
Kenya medical supplies Agency	3,125,141,124	-	3,125,141,124
Moi Teaching and Referral Hospital-Academic model	364,021,896	-	364,021,896
Kenya health sector support project KHSSP	2,765,445,000	-	2,765,445,000
East Africa public Laboratory networking projects headquarters	581,000,000	-	581,000,000
HIV/AIDS round 7	1,900,080,979	(60,215,344)	1,839,865,635
Tuberculosis Round 6 Headquarters	337,036,773	253,951,441	590,988,214
Malaria Round 10 Special Global Fund-Headquarters	1,641,799,406		1,641,799,406

TITLE AND DETAILS	Printed Estimates in Kshs.	Supplementary Estimates in Kshs.	Approved Development Vote in Kshs.
East Africa's centres of Excellence for skills and Headquarters	360,000,000		360,000,000
Kenyatta National Hospital Headquarters	50,000,000		50,000,000
Rongai Hospital project Headquarters	40,000,000		40,000,000
Kenyatta National Hospital Headquarters	50,000,000		50,000,000
National Aids council	28,097,952		28,097,952
Ministry of Health Reproductive and maternal health headquarters	210,496,268	(82,248,134)	128,248,134
Communication for Development Headquarters	267,500,000		267,500,000
Nutrition Headquarters	442,000,000		442,000,000
Environmental Health services Headquarters	128,875,000		128,875,000
Food and Nutrition support for vulnerable Headquarters	324,300,000		324,300,000
Health system management headquarters	3,010,000,000		3,010,000,000
Health sector programme support iii-Headquarter	1,183,092,496		1,183,092,496
Clinical waste Disposal system project	200,000,000		200,000,000
Training of Health personnel	6,000,000		6,000,000
Rehabilitation of the Ngong Sub District Hospital	40,000,000		40,000,000
Rollout of Universal Health coverage	-	1,785,600,000	1,785,600,000
Total	29,602,366,834	1,877,087,963	31,479,454,797
GRAND TOTAL			60,673,967,024

Appendix VII: Exchequer issues received for both Recurrent and Development

A. DEVELOPMENT EXCHEQUER ISSUES				
S/No	Date	Source of Funds		Donor Name/ purpose
		G.O.K	Donor	
1	17/07/2015	2,270,000,000		
2	13/08/2015		292,866,480	EAPHLNP project
3	09/09/2015		366,850,000	DANIDA- HSSP III
4	22/10/2015		187,960,000	KENYA ITALY DEB project
5	02/11/2015	1,483,000,000		
6	11/11/2015	187,960,000		ITALY -KENYA DEBT project
7	16/11/2015	328,500,000		
8	27/11/2015		274,924,525	GLOBAL FUND TB- SSF
9	09/12/2015		251,640,285	GLOBAL FUND NA
10	29/12/2015	441,000,000		
11	02/02/2016		30,061,500	ADB EA- Skills and Tertiary Education
12	02/02/2016		312,916,693.10	Global Fund Malaria Round 10
13	02/02/2016		835,563,462.20	IDA Project - HSSP
14	10/02/2016		188,883,815	DANIDA- HSSP
15	16/02/2016	1,200,000,000		
16	16/02/2016	920,000,000		Free maternity & user fee
17	16/02/2016		696,590,614.95	Global HIV/Aids - SSF
18	04/03/2016		191,852,715	IDA EAPHLNP- Network project
19	15/03/2016		277,000,000	DANIDA- HSSP III project
20	22/03/2016		534,571,590	IDA - KHSSP project
21	18/04/2016	1,287,700,000		
22	21/04/2016	423,000,000		
23	05/05/2016	818,700,000		Free maternity 3rd Quarter
24	15/06/2016	876,900,000		Free maternity 4th Quarter
25	30/06/2016	1,445,000,000		
27	30/06/2016	200,000,000		
28	30/06/2016	-142,240,066.60		Reversal of excess exchequer issue
	30/06/2016		838,300,000	IDA-KHSSP
	Total	11,739,519,933.40	5,279,981,680	17,019,501,618

B. RECURRENT EXCHEQUE ISSUES				
S/no	Date	Reference No	Amount	
1	17/07/2015	RE: 006/15/16	1,007,000,000	
2	30/07/2015	RE: 39/15/16	2,740,000,000	
3	24/09/2015	RE: 229/15/16	500,000,000	
4	1/10/2015	RE: 244/15/16	500,000,000	
5	19/10/2015	RE: 301/15/16	100,000,000	
6	29/10/2015	RE: 352/15/16	3,105,000,000	
7	2/11/2016	RE: 370/15/16	220,000,000	
8	17/11/2015	RE: 392/15/16	76,600,000	
9	24/11/2015	RE: 409/15/16	2,776,000,000	
10	23/12/2015	RE: 473/15/16	2,730,000,000	
11	27/01/2016	RE: 849/15/16	1,340,000,000	
12	26/02/2016	RE: 943/15/16	2,100,000,000	
13	31/03/2016	RE: 1058/15/16	2,125,000,000	
14	26/04/2016	RE: 1143/15/16	1,700,000,000	
15	24/05/2016	RE: 1248/15/16	2,100,000,000	
16	20/06/216	RE: 1342/15/16	963,200,000	
17	24/06/2016	RE: 1402/15/16	800,000,000	
18	1/07/2016	RE: 1452/15/16	265,000,000	
		Total	25,147,800,000	

C. Appropriation in Aid (AIA) Sale of Assets			
S/No.	Date	Amount in Kshs.	
	(i) Recurrent AIA		
	30.06.2016	14,068,266.15	Radiation Protection Board
	(ii) Development AIA (Grants and foreign borrowings)		
1	24/08/2015	320,000,000	German Cooperation with Kenya (KfW)
2	12/01/2016	24,846,160	UNICEF
3	20/06/2016	6,218,752	ADF-EAKIP- purchase of L/Cruiser Prado
4	19/05/2016	9,981,800	Skair & Associates-consultancy
5	30/03/2016	10,000,000	Belgian AMB Diffusion-Clinical waste disposal system
	Total	371,046,712	
	GRANT TOTAL RECEIVED	42,552,416,596	

Appendix VIII: Components of the portable clinics

NO.	ITEM DESCRIPTION	UNIT	QNTY
	A: Common Items		
1	Thermometers	PC	4
2	Pulse Oximeter	PC	1
3	Drip Stand Stainless Steel	PC	2
4	Oxygen Concentrator 5 Lt. per Minute Duel	PC	1
5	Oxygen Cylinder (Standard size)	PC	1
6	Oxygen Cylinder (Small size portable)	PC	1
7	Oxygen delivery set regulator /flow meter/humidifier (Adults)	PC	2
8	Oxygen delivery set regulator /flow meter/humidifier (Child)	PC	2
9	Stretcher (Foldable), chair stretchers	PC	1
10	Emergency tray (Empty tray)	PC	1
11	Cooler boxes (Vaccine carriers)	PC	2
12	Diagnostic set	PC	1
13	BP Machine	PC	1
14	Dressing drums	PC	2
15	Medical Trolley (with wheels)	PC	1
16	Suction machine portable with Battery Back Up	PC	1
17	Weighing Machine Mother and Child	PC	1
18	Minor Suturing set	PC	1
19	General Minor Surgical set (Medium)	PC	1
20	Stethoscopes (Pediatrics and Adult sizes)	PC	2
21	Nebulizer	PC	1
22	Doctors Chairs	PC	2
23	Patients Chairs	PC	2
24	Mackintosh sheets	PC	4
	B. Equipment and items specific for Mothers		
25	Fetoscope	PC	1
26	Fetal Doppler Aid Doppler machine	PC	1
27	Vaginal speculums (Small, Medium, Large sizes)	PC	6
28	Dressing drums (large)	PC	2
29	Mobile examination light (lamp)	PC	1
30	IUCD/ insertion/ removal kit	PC	1

	C. Equipment and Items specific for Children		
31	Pediatric weighing scale (for suspension)	PC	1
32	Heightometer	PC	1
33	Length Mat	PC	1
34	Mid Upper arm circumference (MUAC) tape	PC	1
35	Children's examination light (Head fitting)	PC	1
	D. laboratory Equipment		
36	Light microscope	PC	1
37	Centrifuge Machine 6 Tubes	PC	1
38	Glucometer	PC	1
39	Glucometer strips (in packets of 50)	PC	10
40	HB meter	PC	1
41	HB meter strips (in packets of 50)	PC	2
42	Rack for slides	PC	2
43	Glass slides	PC	10
44	Pipettes (Automatic and calibrated)	PC	3
45	Fridge (Small) 2.5 Cu"ft"	PC	1
46	pregnancy test kits (packs of 50')	PC	10
	E. Other Items		
47	Autoclave	PC	1
48	Autoclave tapes	PC	
49	Doctor's desk	PC	2
50	Staff seats	PC	2
51	Storage cupboards/ cabinets	PC	2
52	Plumbed hot water system for all rooms with 1000 L tank	PC	1
53	Appropriately branded 50 seater waiting tent with seats	PC	1
54	Audio visual system with 21" monitor	PC	1
55	Gyno Couch	PC	1
56	Examinations Couch	PC	1

Appendix X: Specifications for a 40" container converted as portable clinic

- Must be modified from Brand New ISO Standard certified sea container...12192*289mm.
- In-house modification for floor, wall and roof must be done to a very high standard which can maintain high levels of hygiene in the field and very easy and safe to clean.
- Delivery of container with fully furnished electrical and plumbing works to international standards and ready to be hooked up to local power supply system and/or modified for external generator or solar systems.
- Compartments must be provided for TWO consultation rooms (one may also act as a delivery room), a pharmacy with lockable shelves, a fully equipped medical laboratory and a Water Closet WC facility).
- Hot and cold water systems in all the rooms except the Pharmacy.
- Appropriate draining system adaptable to local environments.
- Tented Entrance Lobby for traffic control capable of handling 50 seated patients.
- Fully equipped AUDIO VISUAL SYSTEM with a flat screen facing the patients seated in the entrance lobby.
- Provision of Air Conditioning
- The ceiling shall be made of light gauge steel joist structure fixed on container corrugated wall which shall be of 50 mm EPS insulation with Angle aluminum profiles for fixation.
- The floor shall be made of 50 mm EPS insulation with PVC floor tiles with water proof glue. Steel profile angles for fixation.
- One main external door with suitable inner doors either hinged or sliding. Adequate windows to let in enough natural light at a suitable height considering the medical procedures to be undertaken.
- Container to have the possibility of being moved on wheels on a low ladder.
- Container to be equipped with normal hospital furniture and the Beyond Zero approved Equipment schedule.

Appendix XI: Financial Bid by M/s. Estama Investment Ltd.

NO.	ITEM DESCRIPTION	UNIT	QNTY.	UNIT PRICE IN KSHS	TOTAL COST IN KSHS
	A: Common Items				
1	Thermometers	PC	4	1,125.00	4,500.00
2	Pulse Oximeter	PC	1	15,300.00	15,300.00
3	Drip Stand Stainless Steel	PC	2	27,000.00	54,000.00
4	Oxygen Concentrator 5 Lt. per Minute Duel	PC	1	550,000.00	550,000.00
5	Oxygen Cylinder (Standard size)	PC	1	148,000.00	148,000.00
6	Oxygen Cylinder (Small size portable)	PC	1	127,000.00	127,000.00
7	Oxygen delivery set regulator /flow meter/humidifier (Adults)	PC	2	96,000.00	192,000.00
8	Oxygen delivery set regulator /flow meter/humidifier (Child)	PC	2	96,000.00	192,000.00
9	Stretcher (Foldable), chair stretchers	PC	1	81,500.00	81,500.00
10	Emergency tray (Empty tray)	PC	1	3,600.00	3,600.00
11	Cooler boxes (Vaccine carriers)	PC	2	33,500.00	67,000.00
12	Diagnostic set	PC	1	32,000.00	32,000.00
13	BP Machine	PC	1	15,400.00	15,400.00
14	Dressing drums	PC	2	4,200.00	8,400.00
15	Medical Trolley (with wheels)	PC	1	58,500.00	58,500.00
16	Suction machine portable with Battery Back Up	PC	1	97,000.00	97,000.00
17	Weighing Machine Mother and Child	PC	1	19,000.00	19,000.00
18	Minor Suturing set	PC	1	118,000.00	118,000.00
19	General Minor Surgical set (Medium)	PC	1	133,000.00	133,000.00
20	Stethoscopes (Pediatrics and Adult sizes)	PC	2	2,700.00	5,400.00
21	Nebulizer	PC	1	26200	26,200.00
22	Doctors Chairs	PC	2	48,000.00	96,000.00
23	Patients Chairs	PC	2	25,000.00	50,000.00
24	Mackintosh sheets	PC	4	1,800.00	7,200.00
	B. Equipment and items specific for Mothers				
25	Fetoscope	PC	1	3,600.00	3,600.00
26	Fetal Doppler Aid Doppler machine	PC	1	57,500.00	57,500.00
27	Vaginal speculums (Small, Medium, Large sizes)	PC	6	2,400.00	14,400.00
28	Dressing drums (large)	PC	2	7,400.00	14,800.00

29	Mobile examination light (lamp)	PC	1	24,400.00	24,400.00
30	IUCD/ insertion/ removal kit	PC	1	31,000.00	31,000.00
	C. Equipment and Items specific for Children				
31	Pediatric weighing scale (for suspension)	PC	1	5,400.00	5,400.00
32	Heightometer	PC	1	35,500.00	35,500.00
33	Length Mat	PC	1	25,200.00	25,200.00
34	Mid Upper arm circumference (MUAC) tape	PC	1	4,700.00	4,700.00
35	Children's examination light (Head fitting)	PC	1	10,400.00	10,400.00
	D. laboratory Equipment				
36	Light microscope	PC	1	205,000.00	205,000.00
37	Centrifuge Machine 6 Tubes	PC	1	39,500.00	39,500.00
38	Glucometer	PC	1	30,800.00	30,800.00
39	Glucometer strips (in packets of 50)	PC	10	6,300.00	63,000.00
40	HB meter	PC	1	78,700.00	78,700.00
41	HB meter strips (in packets of 50)	PC	2	21,500.00	43,000.00
42	Rack for slides	PC	2	1,200.00	2,400.00
43	Glass slides	PC	10	270.00	2,700.00
44	Pippettes (Automatic and calibrated)	PC	3	16,000.00	48,000.00
45	Fridge (Small) 2.5 Cu"ft"	PC	1	56,000.00	56,000.00
46	pregnancy test kits (packs of 50')	PC	10	1,200.00	12,000.00
	E. Other Items				
47	Autoclave	PC	1	740,000.00	740,000.00
48	Autoclave tapes	PC	1	1,200.00	1,200.00
49	Doctor's desk	PC	2	86,000.00	172,000.00
50	Staff seats	PC	2	29,400.00	58,800.00
51	Storage cupborads/ cabinets	PC	2	126,000.00	252,000.00
52	Plumbed hot water system for all rooms with 1000 L tank	PC	1	275,000.00	275,000.00
53	Appropriately branded 50 seater waiting tent with seats	PC	1	2,450,000.00	2,450,000.00
54	Audio visual system with 21" monitor	PC	1	327,000.00	327,000.00
55	Gyno Couch	PC	1	74,000.00	74,000.00
56	Examinations Couch	PC	1	56,000.00	56,000.00
	F. MEDICAL WASTE DISPOSAL ITEMS				
57	colour coded disposal bins (red, black and yellow)	SET	1	12,500.00	12,500.00

58	Sharp box for disposal of syringes	NO	1	22,500.00	22,500.00
G. 40FT CONTAINER					
59	COST OF ONE 40FT LONG CONTAINER MODIFIED AS MEDICAL CLINIC AS PER SPECIFICATIONS PROVIDED	NO	1	2,650,000.00	2,650,000.00
OVERALL TOTAL COST OF ONE MODIFIED CONTAINER COMPLETE WITH ITEMS 1-58					10,000,000.00

APPENDIX XII: MES TECHNICAL SPECIFICATIONS

LOT 1 - THEATRE EQUIPMENT (9 ITEMS)

COMPONENTS	ITEM DESCRIPTION
1. Operating/ Main theatre equipment	• Anesthetic machine with ventilator comprising of the main unit, electronic ventilator, patient monitor and accessories complete startup kit.
2. Theatre/ operating rooms (8 items)	• Electrosurgical unit- high frequency electrosurgical machine suitable for general surgery.
	• Operating theatre light, ceiling mounting type consisting of a main unit and an auxiliary lamp head.
	• Operating theatre table suitable for use in theatre for major operations.
	• Standard Resuscitaire -mobile infant warming resuscitation unit.
	• Standard Instrument trolley for transporting instruments in the hospital.
	• Standard linen trolley.
	• Standard Patient stretcher with side rails.
	• Patient trolley - resuscitation patient trolley with IV pole, oxygen cylinders and adjustable sides.

LOT 2 - THEATRE CSSD EQUIPMENT.(31 ITEMS)

COMPONENTS	ITEM DESCRIPTION
1. Surgical instruments set assorted - major operations (6 sets)	• Standard Amputation set.
	• Basic laparotomy set (general).
	• Basic prostatectomy set.
	• Basic thyroidectomy set.
	• Standard K nail set.
	• Standard paedriatic general set.
2. Surgical instruments set - gynecological (4 sets)	• Standard caesarian section set.
	• Standard E.U.A- Examination under Anaesthetic set.
	• Standard general hysterectomy set
	• Standard V.V.F set
3. Surgical instruments set- minor	• Standard Bladder washout set

operations (6 sets)	
	• Standard catheterization set.
	• Standard cut down adult set.
	• Standard incision and excisional set.
	• Standard incision tray.
	• Standard stitch removing set.
4. Surgical instruments set - major operations (4 sets)	• Standard cholecystectomy set.
	• Standard craniotomy set.
	• Standard general thoracic set.
	• Standard urethroplasty set.
5. Surgical instrument set - E.N.T set (6 sets)	• Standard E.N.T general set
	• Standard foreign body (ear/nose) set.
	• Standard myringotomy set.
	• Standard tonsillectomy set.
	• Standard tracheostomy set.
	• Standard varicose vein stripper set.
6. Surgical instruments set - ophthalmology (3 sets)	• Standard Cataract set ECCE with IOL implantation
	• Standard glaucoma set.
	• Standard grommet set ENT.
7. CSSD(2items)	• Autoclave, large, 250 liters
	• Ultrasonic washer.

LOT 3 - LABORATORY EQUIPMENT - CATEGORY 1 (12 ITEMS)

COMPONENT	ITEM DESCRIPTION
1. Clinical chemistry/ hematology (9 items)	• Blood gas analyzer.
	• Clinical chemistry analyzer with ISE.
	• Glucometer.
	• HB meter machine for hemoglobin test.
	• HbA1c meter.
	• Coagulation meter.
	• Erythrocyte sedimentation rate (E.S.R) machine.
	• 5 Part diff Hematology analyzer.

	• Urine strip reader.
2. Virology/ immunology (3 items)	• Cd4 analyzer.
	• EIA- enzyme immune assay analyzer.
	• HIV-1 DNA PCR system.

LOT 4 - LABORATORY EQUIPMENT - CATEGORY 2 (28 ITEMS)

COMPONENT	ITEM DESCRIPTION
1. Microbiology (8 items)	• Laboratory analytical balance.
	• Autoclave laboratory 80 litres.
	• Biosafety cabinet with stand.
	• Bacterial culture and sensitivity system.
	• Laboratory deep freezer front loading.
	• Laboratory incubator.
	• Binoculars microscope.
	• Bacterial blood culture system.
2. Blood transfusion.(11 items)	• Blood bank freezer (- 18 TO 45 degrees Celsius).
	• Blood bank refrigerator.
	• Blood donor couch.
	• Blood bank screening, ELISA processing system.
	• Blood grouping and cross matching machine.
	• Plasma extractor.
	• Plasma thawing bath.
	• Platelet agitator/ shaker with incubator.
	• Refrigerated centrifuge.
	• Tuber sealer.
	• Water bath.
3. Microbiology	• Blood collection mixers.
4. Hematology (3 items)	• Centrifuge.
	• Deionizer for production of pure water for lab use.
	• Laboratory refrigerator.
5. Clinical chemistry (2 items)	• HB Electrophoresis.
	• PH meter.
6. Histology (3 items)	• Rotary microtome.
	• Tissue processor.
	• Wax dispenser.

LOT 5: RENAL EQUIPMENT (13 ITEMS).

COMPONENT	ITEM DESCRIPTION.
Renal	• Raw water reservoir.
	• Water treatment unit.
	• Dialysis machine.
	• Dialysis chairs.
	• Dialysis bed.
	• Defibrillator.
	• Suction machine.
	• Vital signs monitor.
	• Oxygen concentrator.
	• Provision for office equipment.
	• Provision for consumables.
	• Drug trolley.
	• Provision for training.

LOT 6: ICU EQUIPMENT PACKAGE(39 ITEMS).

COMPONENT	ITEM DESCRIPTION.
ICU	• ICU Bed with mattress.
	• Ripple mattress.
	• Central monitoring unit.
	• HDU bed.
	• Portable Bedside monitor.
	• Ventilator.
	• Neonatal ventilator.
	• ECG machine.
	• Neonatal CPAP machine.
	• Infusion pump.
	• Syringe pump.
	• Resuscitation trolley.
	• Suction machine - electrical.
	• Bedside cabinet trolley.
	• Laryngoscope with blade for adult and paedriatic.
	• Laryngoscope with blade for neonates.
	• Refrigerator blood.
	• Non-frost refrigerator, food.
	• Refrigerator, drug.
	• Temporary pace maker.
	• Portable cardiac monitor (2No.)
	• Cardiac stethoscope, adult.
	• Cardiac stethoscope, paedriatic.
	• Resuscitation, transport trolley.

	• Resuscitaires.
	• Standard patient stretcher with side rails.
	• Spot light.
	• Drip stand.
	• Microwave 40 liters.
	• Dressing trolley.
	• General purpose trolley.
	• Instrument trolley.
	• Washing basin.
	• Baby cot.
	• Electric kettle.
	• Nebulizer.
	• Defibrillator.
	• Magill forceps adult.
	• Medical gases system.

LOT 7: RADIOLOGY EQUIPMENT (7 ITEMS).

Imaging	• Computer Radiology system.
	• Floor mounted digital X-Ray machine.
	• Mammography unit, digital.
	• Mobile x-ray unit.
	• C-arm X-ray imaging.
	• Digital OPG machine.
	• Ultrasound unit.

APPENDIX XIII: MES TENDER EVALUATION CRITERIA

The tender evaluation criteria were used to set out the requirements for the detailed tender submissions and the evaluation methods and criteria that were applied by the tender evaluation committee in assessing the tenders received. It was also intended to guide the tenderers in compiling their tenders.

STAGE 1: TENDER RESPONSIVENESS.

Tenderers must satisfy all the criteria set out in table 1 below in their tenders in order to demonstrate tender responsiveness and compliance with the requirements of the invitation to tender. Failure to meet one or more of the requirements below shall result in the tender being automatically disqualified.

TABLE 1 - TENDER RESPONSIVENESS.	
	Mandatory Requirement
1.	OEM • Is the tenderer an OEM? • Where the tenderer is bidding as a consortium, are all members of the consortium OEM's? • Has the tenderer (or every member of the consortium where the tenderer is bidding as a consortium) provided a valid and certified copy of its manufacturers' certificate?
2.	Preliminary responsiveness • Has the tender been signed by the person lawfully authorized to do so? • Is the tender generally in order? o Was the tender received before the deadline of September 2014 at 12h00? o Is the tender in writing and in a sealed envelope bearing the name of the tender and tender number but without indication of the tenderer's name? o Does the tender contain one (1) original and one (1) copy of the technical proposal and one (1) original and one (1) copy of the financial proposal (each in a separate envelope)?
3.	Tender validity • Is the tender valid for at least one hundred and twenty (120) days from the date of tender opening i.e. until 6 January 2015?
4.	Consortium • Where the tenderer is bidding as a consortium, has the consortium provided a letter signed by all the consortium members confirming that they have agreed to work as a consortium? • Has the consortium in that letter nominated, appointed or indicated who the lead member of the consortium is ("Lead member")? • Is the lead member the one submitting the tender i.e. signing the tender documents?
5.	Incorporation or registration • Has the tenderer (or every member of the consortium where the tenderer is bidding as a consortium) provided satisfactory proof of incorporation or registration?

6.	Audited accounts • Has the tenderer (or every member of the consortium where the tenderer is bidding as a consortium) provided audited accounts for the last three (3) years?
7.	Tax compliance • Has the tenderer (or every member of the consortium where the tenderer is bidding as a consortium) provided: ○ A tax compliance certificate (for tenderers trading in Kenya)? ○ Evidence of tax compliance in their country of incorporation (for tenderers not trading in Kenya)?
8.	Proof of similar contracts Has the tenderer (or every member of the consortium where the tenderer is bidding as a consortium) provided proof of similar contracts it has been involved in for the last five (5) years with at least three (3) client references?
9.	Tender security • Has the tenderer provided tender security in an amount equivalent to two per cent (2%) of the tender sum? • Is the tender security valid for at least thirty (30) days after the period of tender validity i.e. until 5 February 2015?
10.	Completeness of the lot • Is the tender for the entire lot i.e. all items comprising a lot? • Is the tender in respect of all 94 hospitals? NOTE: Tenderers are required to submit ONE TENDER PER LOT.
11.	Required documents and information • Has the tenderer provided documents and information to demonstrate that the equipment has met the minimum certification requirements as required under the technical specifications?
12.	Is the tenderer eligible? • Has the tenderer (or every other member of the consortium where the tenderer is bidding as a consortium) provided a complete and signed form A: Declaration of non-association?
13.	Corrupt and Fraudulent practices Has the tenderer (or every other member of the consortium where the tenderer is bidding as a consortium) provided a complete and signed Form B: Anti- Corruption Declaration?

STAGE 2: TENDER EVALUATION

Part A - Technical Evaluation

Only after the tender has satisfied all the tender responsive criteria set out in Table 1 will it be considered for technical evaluation in Stage 2. Tenderers will be evaluated against the

technical evaluation criteria set out in table 2, Part A below. A maximum of 70 points may be awarded under table 2, part A. Tenderers that score below 56 points under these technical evaluation criteria shall be disqualified and shall not proceed to financial evaluation table 2, Part B.

	TABLE 2, PART A - DETAILED TECHNICAL EVALUATION 70 POINTS
	TECHNICAL EVALUATION CRITERIA
1.	Supply of equipment • Does equipment meet intended use? • Does the equipment provide intra-hospital IT connectivity? • Does the equipment conform to the Technical Specifications? • Robustness of equipment banding proposals • Does the documentary evidence of conformity of the equipment include: o Original manufacturer brochures (where applicable), which shall not be photocopies or scanned copies and shall not contain superimposed images of the equipment? Soft copies are acceptable if in a manufacturer PDF format. o Product model name/ number assigned by the manufacturer? o Clear and reasonably sized color picture of the equipment? NOTE: Where required, Tenderers may be requested during this stage to provide complete samples as per the Technical Specifications.
2.	Pre- Installation • Has the tenderer performed a site assessment on all the hospitals? • Has the tenderer provided a proposal on fitting out works for all hospitals with costings? • Does the tenderer's proposal adequately cover civil works, mechanical, electrical, carpentry, specialized services and finishes.
3.	Installation • Has the tenderer provided an Implementation Programme? • What is the duration of the implementation programme? o Within 12 months? o Over 12 months? • Robustness and efficiency of the implementation programme
4.	Training • Has the tenderer provided a training schedule? • Does the training schedule conform to the training requirements of the relevant lot as set out in the invitation to tender? NOTE: If simulation training is provided, the tenderer must submit simulation training equipment specifications, otherwise the tender shall be deemed not to have conformed.
5.	Delivery of service and maintenance • Has the tenderer demonstrated understanding of delivery of Managed Equipment Services as required under the Technical Specifications? • Programmed maintenance proposal o Has a maintenance schedule as per the manufacturer's specifications been provided where required under the technical specifications? • Unprogrammed maintenance proposal

	○ Has the tenderer provided a proposal on the methodology to be employed to enable the tenderer to meet the 98% uptime requirement, including details of any proposed rectification times and actions and what constitutes unscheduled downtime? ○ Does the proposal adequately cover the 98% uptime requirement including proposals on some or all of the following: ▪ Standby equipment ▪ Onsite engineer within 48 hours ▪ 24 hour call center ▪ Online diagnostic system ▪ Onsite spares ▪ Others (as specified by the tenderer)
6.	Replacement • Has the tenderer provided an equipment investment plan? • If so, robustness and commercial efficiency of the equipment investment plan proposed
7.	Disposal Has the tenderer provided a proposal for decommissioning, removal and safe disposal of all equipment to be replaced by new equipment and replacement equipment? Has the tenderer provided a proposal for decommissioning, removal and safe disposal of all equipment on contract expiry and termination?

PART B - Financial Evaluation

Upon completion of the technical evaluation under table 2, part A, the evaluation committee shall conduct a financial evaluation and comparison to determine the evaluated price of each tender. A maximum of **30 points** may be awarded under table 2, Part B.

TABLE 2, PART B - DETAILED FINANCIAL EVALUATION	30 POINTS
FINANCIAL EVALUATION CRITERIA	
Tenderers shall be required to provide itemized bid price as per the invitation to tender. This should include a comprehensive breakdown of all the prices, showing the separate components of the price. All applicable duties, levies, charges and taxes should be itemized.	

Appendix XIV: Computation of technical and financial scores for construction works at King Fahad Hospital (Lamu) Hospital

Technical scores (Ts)

Description	Score	
	M/s. Khalil & Co Ltd.	M/s. Centurion Engineers & Builders Ltd.
Evidence of specific experience in undertaking works of similar nature and complexity..... 25 marks	25	25
Completely filled work programme indicating the method and duration of carrying out the project as per specifications in the tender..... 25 marks	0	25
Total	25	50

Tender Sum Comparison (TSC) Score

The tenders were checked for deviation from the average adjusted tender sum (tender sum excluding provisional sums of Kshs. 20,000,000.00) and was as follows:

Name	Tender sum	Adjusted tender sum	Deviation of Tender from average tender sum	% Deviation	Score
Khalil & Co. Ltd.	93,573,440.00	73,573,440.00	(+)16,402,360.38	(+)21.25%	0
Centurion Engineers & Builders Ltd.	96,736,439.48	76,736,439.48	(+)19,565,359.87	(+)25.35%	0
Official Estimate	101,203,359.36	81,203,359.36			
Total		231,513,238.84			
Average adjusted		77,171,079.61			

Name	Tender sum	Adjusted tender sum	Deviation of Tender from average tender sum	% Deviation	Score
tender sum					

Financial score (Fs)

Financial score was computed as follows: Fs=20 x Fm/F where Fs is Financial score; Fm is lowest priced responsive financial bid and F is the price of the bid under consideration.

M/s. Khalil & Co. Ltd. score (Fs) = 20 + (93,573,440/93,573,440) = 21

M/s. Centurion Engineers & Builders Ltd. score (Fs.) = 20 + (93,573,440/96,736,439.48) = 20.97

Final score was a combined sum of Technical, Tender Sum Comparison and Financial marks

Tenderer	Final score
M/s. Khalil & Co. Ltd	25 + 0 + 21= 46
M/s. Centurion Engineers & Builders Ltd.	50+ 0+ 20.97= 70.97

A bidder whose score was 70% and above may be recommended for award.

Appendix XV: Disbursement of HSSF World Bank funds to Counties

S/no	IFMIS NO	County Government	CRF Account no	Amount (Ksh)
1	4460	Baringo	1000171561	17,224,300.00
2	4360	Elgeyo Marakwet	1000171723	20,179,116.00
3	3310	Garissa	1000171499	15,088,268.00
4	3510	Isiolo	1000171715	8,728,052.00
5	60	Kajiado	1000171642	31,643,654.00
6	3110	Kilifi	1000171212	66,776,764.00
7	3710	Kitui	1000171111	46,995,266.00
8	3060	Kwale	1000171697	45,759,322.00
9	4510	Laikipia	1000171626	18,845,096.00
10	3210	Lamu	1000171588	7,132,526.00
11	3410	Mandera	1000171472	13,686,168.00
12	3460	Marsabit	1000171824	10,086,676.00
13	5160	Migori	1000171537	67,012,156.00
14	4610	Narok	1000171693	38,137,350.00
15	4210	Samburu	1000171437	8,669,898.00
16	3260	Taita Taveta	1000171855	17,242,898.00
17	3160	Tana River	1000171332	8,481,988.00
18	3610	Tharaka Nithi	1000171707	13,899.808.00
19	4110	Turkana	1000171658	20,486,700.00
20	3360	Wajir	1000171448	16,369,300.00
21	4160	West Pokot	1000171577	15,799,898.00
			Total	508,245,204.00