

REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY

-----  
TWELFTH PARLIAMENT – SECOND SESSION 2018

DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL  
PLANNING

.....  
REPORT ON THE STATUTE LAW MISCELLENOUS AMENDMENTS BILL, 2018  
(NATIONAL ASSEMBLY BILL NO. 13)

CLERKS CHAMBERS  
DIRECTORATE OF COMMITTEE SERVICES  
PARLIAMENT BUILDINGS  
NAIROBI

JUNE, 2018

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## ABBREVIATIONS

KNBS	–	Kenya National Bureau of Statistics
NT	–	The National Treasury
PFM	–	Public Finance Management
PPRA	–	Public Procurement Regulatory Authority
TISA	–	The Institute of Social Accountability

## CHAIRPERSON'S FOREWORD

This report contains the Committee's proceedings for the consideration of the Statute Law (Misc. Amendments) Bill, 2018 (National Assembly Bill No.13). The Bill was read a first time on 18<sup>th</sup> April 2018 and subsequently committed to the Departmental Committees for consideration and facilitation of public participation pursuant to Standing Order 127. The Bill seeks to among other Statutes, amend the Statistics Act (No. 4 of 2006), the Public Procurement and Asset Disposal Act, 2015, (No. 33 of 2015)

In processing the Bill, the Committee invited comments from the public by placing advertisements in the Daily Nation and Standard Newspapers on 4<sup>th</sup> May, 2018 pursuant to Article 118 of the Constitution. At the time of consideration, the Committee had not received any memoranda submitted relating to the Bills under its consideration. In view of the above, the Committee resolved to engage the NT to seek for further clarification on the import of the particular amendments.

In summary, the amendments to the Statistics Act (No. 4 of 2006), are seeking to streamline the membership of the Board of Directors of the Bureau to include the representation of the Council of Governors and to clarify the functions of the Board. It also seeks to include the office of the Corporation Secretary. The Bill also amends the First Schedule to clarify the role of the national government and the county government. It also seeks to amend the Act to include a new Schedule which sets out the fundamental principles relating to statistics.

Finally, the amendment to the Public Procurement and Asset Disposal Act, 2015, (No. 33 of 2015) seeks to make provision in relation to the Board and the process of procurement by public entities.

On behalf of the Departmental Committee on Finance and National Planning and pursuant to provisions of Standing Order 199 (6), it is my pleasant privilege and honour to present to this House the Report of the Committee on its consideration of the County Governments Retirement Scheme Bill, 2018.

The Committee is grateful to the Offices of the Speaker and the Clerk of the National Assembly for the logistical and technical support accorded to it during its sittings. The Committee wishes to thank the NT and all the other stakeholders for their participation in scrutinizing the Bill.

Finally, I wish to express my appreciation to the Honorable Members of the Committee who made useful contributions towards the preparation and production of this report.

SIGNED.......... DATE.....*26/6/18*.....

**THE HON. JOSEPH LIMO, MP**

**CHAIRPERSON**

**DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING**

## EXECUTIVE SUMMARY

The Statute Law (Misc. Amendments) Bill, 2018 (National Assembly Bill No.13) was published on 10<sup>th</sup> April, 2018. The Bill was read a first time on 18<sup>th</sup> April 2018 and thereafter committed to the Departmental Committees that were expected to process the amendments of the respective Statutes the fall within their purview. As far as the Departmental Committee on Finance and National Planning is concerned the Bill was seeking to amend the Statistics Act (No. 4 of 2006) and the Public Procurement and Asset Disposal Act, 2015, (No. 33 of 2015).

In terms requirements of Article 118 of the Constitution, the National Assembly placed an advertisement in the Daily Nation and Standard newspapers on 4<sup>th</sup> May, 2018 requesting for comments from the general public and or interested individuals/ organizations. The Committee received one memorandum from the Institute for Social Accountability submitting comments on the amendments to the Public Procurement and Asset Disposal Act, 2015, (No. 33 of 2015). The Committee held two sittings with the NT and PPRA on Thursday 7<sup>th</sup> June, 2018 and Tuesday, 11<sup>th</sup> June, 2018 to discuss the amendments to the Public Procurement and Asset Disposal Act, 2015, (No. 33 of 2015).

As far as the amendments to the Statistics Act (No. 4 of 2006), the Committee held one (1) sitting with the KNBS on Thursday 7<sup>th</sup> June, 2018. The Members were taken through the import of the amendments. The submissions by the all the entities are contained in chapter three of the report.

## **1.0 ESTABLISHMENT OF THE COMMITTEE**

The Departmental Committee on Finance & National Planning is one of the fifteen Departmental Committees of the National Assembly established under *Standing Order 216* whose mandates pursuant to the *Standing Order 216 (5)* are as follows:

1. To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;
2. To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;
3. **To study and review all the legislation referred to it;**
4. To study, access and analyze the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;
5. To investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;
6. To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order No.204 (Committee on appointments);
7. To examine treaties, agreements and conventions;
8. To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;
9. To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and
10. To examine any questions raised by Members on a matter within its mandate.

## **1.1 MANDATE OF THE COMMITTEE**

In accordance with the Second Schedule of the Standing Orders, the Committee is mandated to consider, Public finance, Monetary policies, Public debt, Financial institutions (excluding those in securities exchange), Investment and divestiture policies, Pricing policies, Banking, Insurance, Population revenue policies including taxation and National planning and development.

In executing its mandate, the Committee oversees the following government Ministries;

1. The NT and Ministry of Planning
2. Ministry of Devolution and ASAL
3. The Commission on Revenue Allocation
4. Office of the Controller of Budget
5. Salaries and Remuneration Commission
6. Office of the Auditor General

## **1.2 COMMITTEE MEMBERSHIP**

The Committee on Finance and National Planning comprises of the following Members:-

1. The Hon. Joseph K. Limo, MP – **Chairperson**
2. The Hon. Isaac W. Ndirangu – **Vice-Chairperson**
3. The Hon. Jimmy O. Angwenyi, MP
4. The Hon. Alfred W. Sambu, MP
5. The Hon. Dr. Enoch Kibunguchy, MP
6. The Hon. Shakeel Shabbir Ahmed, MP
7. The Hon. Abdul Rahim Dawood, MP
8. The Hon. Daniel E. Nanok, MP
9. The Hon. Andrew A. Okuome, MP
10. The Hon. David M. Mboni, MP
11. The Hon. Francis K. Kimani, MP
12. The Hon. Joseph M. Oyula, MP
13. The Hon. Joshua C. Kandie, MP
14. The Hon. Lydia H. Mizighi, MP
15. The Hon. Mohamed A. Mohamed, MP
16. The Hon. Purity W. Ngirici, MP
17. The Hon. Samuel Atandi, MP
18. The Hon. Stanley M. Muthama, MP

### **1.3 COMMITTEE SECRETARIAT**

2. Ms. Leah W. Mwaura - **First Clerk Assistant/Lead Clerk**
3. Ms. Laureen Wesonga - **Third Clerk Assistant**
4. Mr. Josephat Motonu - **Fiscal Analyst I**
5. Ms. Lynette Otieno - **Legal Counsel II**
6. Mr. Chelang'a Maiyo - **Research & Policy Analyst III**

## **2.0 CONSIDERATION OF THE STATUTE LAW (MISC. AMENDMENTS) BILL, 2018 (NATIONAL ASSEMBLY BILL NO.13)**

### **2.1 BACKGROUND INFORMATION**

The Statute Law (Misc. Amendments) Bill, 2018 (National Assembly Bill No.13) seeks to among other Statutes, amend the Statistics Act (No. 4 of 2006) and the Public Procurement and Asset Disposal Act, 2015, (No. 33 of 2015).

Pursuant to Article 118 of the Constitution, the National Assembly placed an advertisement in the Daily Nation and Standard newspapers on 4<sup>th</sup> May, 2018 requesting for comments from the general public and or interested individuals/ organizations. By the close of the deadline and by the time the Committee was considering the Bill, the Committee had not received any written memoranda. In view of the above, the Committee resolved to invite the NT and KNBS/ State Department for Planning for a meeting on 7<sup>th</sup> June, 2018.

### **2.2 SUMMARY OF THE BILL**

The Bill seeks to amend the Statistics Act (No. 4 of 2006) to streamline the membership of the Board of Directors of the Bureau to include the representation of the Council of Governors and to clarify the functions of the Board. It also seeks to include the office of the Corporation Secretary. The Bill also amends the First Schedule to clarify the role of the national government and the county government. It also seeks to amend the Act to include a new Schedule which sets out the fundamental principles relating to statistics.

The Public Procurement and Asset Disposal Act, 2015, (No. 33 of 2015) seeks to make provision in relation to the Board and the process of procurement by public entities.

The major thrusts of the proposed amendments are as follows: first, there is introduced a new definition of local contractor as a person or firm registered and operating in the Kenya. Another amendment seeks to open up the membership of procurement professionals from the Kenya Institute of Supplies Management to also cover other supply chain professional bodies.

Second, both the NT and the Public Procurement Regulatory Authority have been given a shared function of training and capacity development of persons involved in procurement and asset disposal. In

addition, the function of maintaining the state portal on procurement and asset disposal has been shifted from the Public Procurement Regulatory Authority to the National Treasury.

Third, amendments are proposed in Section 43 of the Act which provides for Inspection, Assessment and Reviews of contracts, procurement and asset disposal proceedings, that aimed at improving access to information by persons authorized by the Authority and in the event entry to a premise by such authorized persons is curtailed, then a search warrant may be sort.

Fourth, Section 53 on Procurement and Asset Disposal Planning is proposed to be amended by introducing new provisions in relation to publishing and publicizing the approved procurement plans as invitation to treat on the procuring entity website as well as the National Treasury's state tender portal. This will facilitate ease access to information and endeavour to promote transparency in procurement.

Fifth, the proposed amendment to Section 54 on procurement pricing and requirement not to split of contract relates to the application of "arms length" pricing by obtaining information from market surveys in order to inform placing of orders or decision making by the procurement awarding authority. This may go a long way to ensure the procurement process is efficient and effective to safeguard public resources.

Sixth, in order to reduce the overall procurement period that have hitherto hindered swift conclusion of the procurement process, thus leading to slow delivery of public goods and services, the timelines have been suggested to be changed as follows:

- i. In Section 80(6) on the Evaluation of Tenders, the amendment seeks to reduce the period for tender evaluation from the current 30 days to 7 days with a further 7 additional days for complex tender or where a large number of procurement entities are involved.
- ii. In section 94(4) the time for submitting the application for pre-qualification has been proposed to be reduced from the current 14 days to 7 days.
- iii. Section 126(3) which provides for Evaluation of Proposals is proposed to be amended to reduce the time for evaluation of proposals from the current maximum of 21 days to a maximum of 7 days with the exception of complex tenders or where a large number of procurement entities are involved which may be granted an additional maximum of 7 days.

- iv. The proposed amendment to Section 135(3) which provides for Creation of Procurement Contract intends to reduce the period of signing of contract from the present maximum of 14 days to a maximum of 7 days after notification of award.
- v. The timeline for requesting for administrative review of the procurement process has been proposed to be reduced from the present 14 days to 7 days, of notification of award or occurrence of alleged breach of procurement process, as contained in Section 167(1) of the Principal Act.

Seventh, it is noted that the proposed amendment to Section 139(4) which provides for amendments or Variations to Contracts seeks to remove the period in the current requirement that prohibits variation of contract within 12 months from the date of signing the contract, subject to price variation, not more than 15% of goods and services, not more than 20% for works and not more than 25% on overall contract price variation. The timeline of 12 months safeguards the predictability and integrity of the contract such that its removal seems to introduce a potential exception to Section 139(3) on contract price variation.

Finally, Section 167 is proposed to be amended to exempt women, youth and persons with disability from payment of a refundable deposit of 10% or more of the contract price when applying for the administrative review of the procurement process. This is intended to protect the vulnerable persons in society who may not be in a position to raise the requisite procurement review fees, as long as the exemption is guarded against any possible abuse or misuse.

### 3.0 SUBMISSION ON THE THE STATUTE LAW (MISC. AMENDMENTS) BILL, 2018 (NATIONAL ASSEMBLY BILL NO.13)

#### 3.1 NATIONAL TREASURY ON PUBLIC PROCUREMENT AND ASSET DISPOSAL ACT, 2015, (NO. 33 OF 2015)

The NT submitted as follows:-

##### 1. New Provision - Section 2 of the Principal Act

THAT, the Bill proposes to amend Section 2 of the principal Act by introducing a new definition of "local contractor" under Section 2 to read "local contractor" means a person or a firm registered in Kenya under the Companies Act or any other written law and whose operation is based in Kenya;

**Justification:** This will include sole proprietorships, partnerships, cooperative societies, individual consultants, associations, and groups that are registered in Kenya, etc.

##### 2. Part I Preliminary

Section 2 of the Principal Act

THAT, the Bill proposes to amend Section 2 of the principal Act by amending the definition of 'procurement profession' by deleting the phrase or established under the Supplies Practitioners Management Act, 2007 and replace it to "*include or any other supply chain professional body*"

*To read 'Procurement professional' means a person who has professional qualifications in procurement or supply chain management from a recognized institution and is a member of the Kenya Institute of Supplies Management or any other supply chain professional body.*

**Justification:** To recognize other institutions who offer membership and professional qualification in procurement and supply chain management.

##### 3. Sec. 7 Role of NT on Public Procurement and Assets Disposal

THAT, the Bill proposes to amend section 7 (2) of the principal Act by inserting the following new paragraphs immediately after paragraph (1).

(n) to develop, promote and support the training and capacity development for procurement and supply chain management services cadre at the national and county level.

Justification: This will address the training and capacity development for professionals involved the supply chain management services cadre at national level.

#### **4. Insert a new sub section**

Introduce sub-section 7(2)(n) of the Act by moving the contents of sec 9(1)(k) *to read “develop and manage the state portal on procurement and asset disposal and ensure that it is available and easily accessible”*

**Justification:** This is a function of the NT which are integrated with other PFM function through IFMIS systems.

#### **5. Sec. 9(1) Functions of the Authority**

Add “(s) to develop, promote and support the training and capacity development of persons involved in procurement and asset disposal”

Renumber current (s) as appropriate

#### **Justification:**

This will address the training lacuna for non-procurement professionals involved in procurement, such as user departments, disposal and contract implementation teams, suppliers, etc.

#### **6. Section 9(1)(k)**

Principal Act: S. 9 (1) (k) “develop and manage the state portal on procurement and asset disposal and ensure that it is available and easily accessible”

That the Bill proposes amendment of section 9 (1) (k) by deleting it.

**Justification:** The function is already carried out by the NT through IFMIS and transfer is not necessary.

#### **7. Section 26(6): Annual Reports**

THAT, the Bill proposes amendment of section 26 (6) of the principal Act by deleting the word ‘draft’ and replacing it with ‘annual’ to read as follows:-

Principal Act: S. 26 (6) “The Board shall publish and publicize the **annual** report within two weeks after the expiry of seven (7) days upon submission to the Cabinet Secretary.”

**Justification:** The Board should publish and publicize the final report and not a draft report.

#### 8. Section 39: Request for a judicial review

THAT, the Bill proposes to amend section 39 of the principal Act by deleting the word the Board and replacing with **Director General**.

Principal Act S. 39: ‘The procuring entity and any other person who was entitled to be given an opportunity to make representations under section 38 (2) may request for Judicial Review against an order of the **Board** to the High Court within fourteen days after the order is made’

**Justification:** Section 38 (2) relates to order by the Director General and not the Board. Investigations of procurement and disposal activity is one of the functions of the Director General. The Director General performs his/her functions under the directions determined by the Board as provided by the Act

#### 9. Section 40(2): No investigation if issue before Review Board

THAT, the Bill proposes to amend the principal Act by deleting the word the Board and replace with Director General to read:-

Subsection (1) ceases to apply if, after the Review Board has completed its review, information comes to the attention of the **Director General** that was not brought before the Review Board in the course of its review.

**Justification:** It is the responsibility of the Director General to institute investigations pursuant to section 35 of the Act and not the Board. Furthermore, the Board becomes **functus officio** ones it has rendered its decision.

#### 10. Section 41 (1)(j): Debarment

That the Bill proposes to amend section 41 (1) (j) of the principal Act by introducing a new paragraph to read:-

To read “is determined by the Review Board to have filed a request that is frivolous or vexatious or was made solely for the purpose of delaying of the procurement proceeding or a performance of a contract”

**Justification:** To discourage tenderers from filing frivolous appeals that will delay the delivery of services to the public.

#### **11. New provision: Inspections, assessment and reviews relating to contracts, procurement and asset disposal proceedings**

That the Bill proposes to amend the principal Act by introducing new subsections immediately after subsection (8) -

43(9) of the Act to read

When conducting Investigations, Inspections, Assessments and Reviews relating to contracts, procurement and asset disposal proceedings, anyone authorized by the Authority may enter any premises of a Procuring Entity, at a reasonable time and inspect the premises to make any inquiries that may be necessary for the collection of information.

43(10) of the Act to read

Where an authorized person is refused entry or is prevented from entering premises, a magistrate may, on application by the Authority, issue a warrant authorizing the Police to enter the premises, using such force as may be reasonably necessary and to conduct the search and obtain the required information

**Justification:** The amendments will give the Authority the power of discovery of documents.

#### **12. New provision: Internal organization of procuring entities/ Responsibilities of the accounting officer.**

THAT, the Bill proposes to amend section 44 of the principal Act by inserting a new subsection (5) immediately after subsection (4)

“Where a public entity lacks capacity to comply with this Act an accounting officer shall seek assistance from the National Treasury”

**Justification:** The responsibility of an accounting officer to seek assistance from the NT is not limited to matters related to the evaluation committee. By placing section 46(6) of the Act under

evaluation confines/ limits its application to seeking assistance from the NT on evaluation issues/matters only.

The amendments will enable Accounting officers to seek assistance from the NT on any issues/matters related to their roles.

### **13. Section 46 (4) (c); Evaluation Committee**

Principal Act: Sec. 46(4) (c) “have as its secretary, the person in charge of the procurement function”

The Bill proposes to amend Section 46 (4) (c) the principal Act by inserting the following word at the end of the paragraph “or an officer from the procurement function appointed in writing by the Head of the procurement function to read as follows:-

“have as its secretary, the person in charge of the procurement function or an officer from the procurement function appointed in writing by the Head of procurement function.

**Justification:** The implication is that the head of procurement function will be expected to be secretary to evaluation committees for all procurement transactions processed by the procuring entity since there is no room for delegation. The amendment will allow the head of procurement to delegate the secretarial function. The proposed amendment will enhance efficiency in delivery of public services and reduce procurement lead time as procuring entities will be able to run multiple procurements/Tenders concurrently.

### **14. Section 46(6)**

THAT, the Bill proposes to amend Section 46(6) of the principal Act by deleting the provision in its entirety

Principal Act: “Where a public entity lacks capacity to comply with this Act an accounting officer shall seek assistance from the National Treasury”.

Justification: The contents of the provision have been moved to subsection 44(5).

### **15. Section 48 (2): Inspection and acceptance Committee**

THAT, the Bill proposes to amend Section 48 (2) of the principal Act by deleting the word procuring unit and replacing therefor the words the ‘**head of procurement function**’ to read

(2) The inspection and acceptance committee shall be composed of a chairman and at least two other members appointed by the accounting officer or the head of the procuring entity on the recommendation of the head of **procurement function**.

**Justification:** The amendment ensures that there is consistency with the definition and role of the procurement function. Procurement unit is not defined in the Act

#### **16. Section 51(2) (b): Procuring agents or asset disposal agents**

THAT, the Bill proposes to amend Section 51 (2) of the principal Act by deleting the term 'procurement and disposal unit' and replacing it with **procurement function**.

Principal Act:

(b) provides evidence of inability to establish a **procurement and disposal unit**;

**Justification:** The amendment ensures that there is consistency with the definition and role of the procurement function. Procurement unit is not defined in the Act

#### **17. Section 53: Procurement and Asset Disposal planning**

That the Bill proposes to amend Section 53 of the principal Act by inserting subsection 12 and 13 immediately after subsection (11) to read,

12) Upon submission of the procurement plans to the NT pursuant to section 44(2) (c), the accounting officer of a procuring entity shall publish and publicize its approved procurement plan as invitation to treat on its website.

13) On receipt of the procurement plans submitted by the procuring entities, the NT shall publish and publicize the procurement plans as invitation to treat on the state tender portal

**Justification:** The provisions will enhance transparency in procurement and also provides potential bidders with information necessary to plan and organize to respond to procurement opportunities. Publication of procurement plans is one of the sub-indicators (under transparency and access to public information

#### **18. Section 54: Procurement pricing and requirement not to split of contracts**

That, the Bill proposes to amend to amend the section 54 of the principal Act by introducing a new sub-section immediately after subsection (4) to read as follows:-

The head of procurement function shall carry out market survey(s) to inform the placing of orders or decision making on procurement by the respective accounting officer.

**Justification:** The provision will guard against purchasing standards items at inflated prices

#### **19. Section 67(4): Confidentiality**

THAT, the Bill proposes to amend Section 67(4) of the principal Act by deleting the expression Section 67(2) (d) (iii) and substituting therefor the expression Section 68(2)(d)(iii).

**Principal Act** - Notwithstanding the provisions of Subsection (3), the disclosure to an applicant seeking review under Part XV shall constitute only the summary referred to in Section 67(2)(d)(iii).

Amend the cross referencing to read:

Notwithstanding the provisions of Subsection (3), the disclosure to an applicant seeking review under Part XV shall constitute only the summary referred to in Section **68(2)(d)(iii)**.

**Justification:** Cross referencing error.

**20. Section 69: Procurement Approvals**

That the Bill proposes to amend section 69 of the principal Act by deleting the marginal note and substituting therefor the following words "Procurement Approvals and delegation of responsibility.

**Justification:** This will allow the Accounting officer and the head of procurement function to delegate to competent officers some of the functions/responsibilities in addition to approvals.

**21. Section 70: Standard tender documents**

THAT, the Bill proposes to amend section 70 of the principal Act by deleting the expression "section 60" and substitute therefor the expression "section 63".

**Justification:** To ensure consistency in referencing.

**22. Section 71 (3): Registration of suppliers**

THAT the Bill proposes to amend Section 71 (3) of the principal Act by deleting the word "tenderer" and substitute therefor with the words "procuring entity".

Principal Act - A **tenderer** may seek clarification from the candidate or relevant government agency on eligibility but not on capability

**Justification:** The Section states that a tenderer may seek clarification from the candidate, which is not feasible as it is the procuring entity that is evaluating the candidates to determine their eligibility.

**23. Section 80: Evaluation of tenders**

THAT, the Bill proposes to amend Section 80 (1) of the principal Act by deleting the expression "*under section 82(3)*".

**Justification:** To correct a cross referencing error.

**24. Section 80: Evaluation of tenders**

(i) THAT, the Bill proposes to amend Section 80(1) of the principal Act by deleting the expression “under section 82 (3)”

(ii) THAT, the Bill proposes to amend Section 80(6) of the principal Act by deleting **thirty days** and substituting therefor **seven days**.

To read “**The evaluation shall be carried out within a maximum period of seven days**”

**Justification:** To shorten the contracting lead time

(iii) THAT, the Bill proposes to amend section 80 of the principal Act by inserting the following subsection immediately after subsection (6)-

(7) “Where a tender is complex or has attracted high number of tenderers, the accounting officer may extend the tender evaluation period once for a further period not exceeding seven days.

**Justification:** To cater for the complex and high number of tenders which require more time. Give a window for the complex high number of tenders/bids in evaluation time.

#### **25. Section 89: International tendering and competition**

THAT, the Bill proposes to amend section 89 (b) and (f) of the principal Act:-

(i) In paragraph (b), by deleting the expression “section 118(2)” and substituting therefor the expression “section 118(1); and

(ii) In paragraph (f) by deleting the expression “section 85” and substituting therefor the expression “section 155”

**Justification:** Wrong referencing

#### **26. Section 92: Methods of procurement**

THAT, the Bill proposes amendment of Section 92 of the principal Act by inserting the following paragraph immediately after paragraph (1)-

(1a) specially permitted procurement procedure.

**Justification:** Treasury observed that the amendment was introduced through the Finance Act 2017 section 57 hence the amendment is being lifted as amended; Specially permitted procedure not listed in the Act.

Renumber the existing provision as subsection (1) and insert the following subsection immediately after subsection (1)-

(2) The procedure for Competitive Negotiations set out in sections 131, 132 and 133 of the Act shall, apply mutatis mutandis to procurements of goods, works and non-consultancy services.

**Justification:** Placing Competitive Negotiations solely under Part X— Procurement of Consultancy Services confines/limit its application to only procurement of consulting services.

#### **27. Section 94(4): Pre-qualification documents**

THAT, the Bill proposes to amend Section 94(4) by deleting fourteen days and replace it with seven days to read

“The accounting officer of a procuring entity shall allow the candidates at least **seven days** to prepare and submit their applications to be pre-qualified”

**Justification:** To shorten the contracting lead times

#### **28. Section 98(1): Provision of tender documents**

THAT Section 98(1) is amended deleting the word “**and**” between the words ‘documents’ and ‘in accordance as indicated in bold as follows:-

98.(1) Upon advertisement, the accounting officer of a procuring entity shall immediately provide copies of the tender documents **and** in accordance with the invitation to tender and the accounting officer shall upload the tender document on the website.

**Justification:** The invitation to tender usually provides direction on how the tender documents are to be provided. It is to correct grammatical error.

#### **29. Section 114 (6): Framework agreement**

THAT Section 114 (6) of the principal Act is amended by deleting the words ‘A procurement management unit’ and substituting therefor the words “A procurement function”.

A **procurement management unit** shall prepare and submit to the accounting officer with a copy to the internal auditor quarterly reports detailing an analysis of items procured through framework agreements and these reports shall include, an analysis of pattern of usage, procurement costs in relation to the prevailing market rates and any recommendations.

A **procurement function** shall prepare and submit to the accounting officer with a copy to the internal auditor quarterly reports detailing an analysis of items procured through framework agreements and these reports shall include, an analysis of pattern of usage, procurement costs in relation to the prevailing market rates and any recommendations

**Justification:** Ensures consistency with the definition of the procurement function.

**30. Section 117: Terms of reference and invitation of tenders from shortlisted firms**

THAT, Section 117 of the principal Act is amended by deleting the expression 74 and substituting therefor the expression 73 to read,

Section 117 Initiation of the procurement shall—

(a) be subject to section 73 of the Act”

**Justification:** The amendments addresses an incorrect cross-referencing.

THAT, Section 117 is amended by deleting the marginal notes and substituting therefore the following marginal note- **Terms of reference and initiation of procurement**

**Justification:** The amendments harmonizes the side notes with the content/subject matter contained in the provisions

**31. Section 119 (1): Notice inviting expressions of interest**

THAT Section 119 (1) of the principal Act is amended by deleting the word ‘**may**’ and replace with ‘**shall**’ to read-

Section 119(1) An accounting officer of a procuring entity shall prepare a notice inviting interested persons to submit expressions of interest as prescribed

**Justification:** The amendments seeks to make the preparation of a notice inviting expressions of interest mandatory

**32. Section 121(1): Evaluation and shortlisting**

THAT Section 121 (1) of the principal Act is amended by deleting the word ‘**accounting officer of a procuring entity**’ and replace with ‘**evaluation committee**’ to read-

The **accounting officer of a procuring entity** shall, in writing, record the results of its evaluation of applications for expression of interest using the evaluation criteria in the

expression of interest notice and documents and shall state which candidates were found to be qualified and the reasons why any candidates were not qualified.

The **evaluation committee** shall, in writing, record the results of its evaluation of applications for expression of interest using the evaluation criteria in the expression of interest notice and documents and shall state which candidates were found to be qualified and the reasons why any candidates were not qualified.

**Justification:** The amendment seeks to clarify that it is the role of the evaluation committee to carry out evaluation; and to align the provision to Section 121(4)

### **33. Section 124: Selection methods for requests for proposals**

(i) THAT, the Bill proposes to amend section 124 (14) of the principal Act by deleting it.

(ii) That the Bill proposes to amend section 124 (15) of the principal Act by deleting and substituting therefor the following new subsection

(15) Where alternative selection methods are used a report shall be prepared and submitted to the Authority within fourteen days.

(iii) That the Bill proposes to amend section 124 (15) of the principal Act by inserting the following new subsection immediately after subsection (15) -

(16) The Authority shall issue written directions and guidelines governing the reporting requirements for use of alternative selection methods by the accounting officers of procuring entities.

### **34. Section 126: Evaluation of proposals**

(i) THAT, the Bill proposes to amend Section 126 of the principal Act by deleting the expression "twenty-one" and substitute therefor the word "seven".

(ii) THAT, the Bill proposes to amend Section 126 of the principal Act by inserting the following proviso immediately after subsection (3)-

"Provided that where the subject of procurement is complex or attracts a high number of tenderers, the accounting officer may extend the evaluation period for a further period not exceeding seven days."

### **35. Section 135: Creation of procurement contracts**

(i) THAT, the Bill proposes to amend Section 135 (3) of the principal Act by deleting the words "fourteen days" and substitute therefor the words "seven days".

(ii) THAT, the Bill proposes to amend subsection (4) by deleting it.

**36. Section 136: Refusal to sign contract**

THAT, the Bill proposes to amend Section 136 (1)(b) of the principal Act by deleting the expression "section 61" and substitute therefor the expression "section 64".

**37. Section 138: Publication of procurement contracts**

THAT, the Bill proposes to amend Section 138 (5) of the principal Act by inserting the expression "through classified procurement methods and procedures under Part VIII" at the end.

**38. Section 139: Amendments or variations to contracts**

THAT, the Bill proposes to amend Section 139 (4) of the principal Act by deleting the words "after twelve months from the date of signing the contract and shall only be considered".

**39. Section 167: Request for Review**

(i) THAT, the Bill proposes to amend Section 167 (1) of the principal Act by deleting the word "fourteen" and substituting therefor the word "seven".

(ii) THAT, the Bill proposes to amend Section 167 in subsection (4) (b) by deleting the expression "section 62" and substitute therefor the expression "section 63".

(iii) THAT, the Bill proposes to amend Section 167 by insert the following new subsection immediately after subsection (4) -

(5) Provisions under subsection (2) of this section shall not apply to tenders reserved for women, youth, persons with disabilities and other disadvantaged groups.

**40. Section 168: Notification of review and suspension of proceedings**

THAT, the Bill proposes to amend Section 168 of the principal Act by insert the words "and the Attorney-General" immediately after the expression "procuring entity".

**41. Section 169: Rejection of requests by Review Board Secretariat**

THAT, the Bill proposes to amend section 169 of the principal Act by renumbering the existing provision as subsection (1) and insert the following subsection immediately after the renumbered subsection (1)-

{2) Notwithstanding provisions of subsection (1) filing fees for review by candidates under reserved procurements for women, youth, persons with disabilities and other disadvantaged groups may be waived by the secretary or where required fees shall be as prescribed

**42. Section 172: Dismissal of frivolous appeals**

THAT, the Bill proposes to amend section 172 of the principal Act by deleting the full stop and inserting the words "and be debarred by the Authority".

#### **43. Section 173: Powers of the review Board**

THAT, the Bill proposes to amend Section 173 of the principal Act by deleting subsection (c).

#### **44. Section I76: Prohibition and offences**

(i) THAT, the Bill proposes to amend Section I76 (l) (e) by deleting the expression "section 78" and substitute therefor the expression "section 76(6)'

Justification: Cross referencing error.

(ii) THAT, the Bill proposes to amend Section I76 (l) (f) by deleting the expression "section 66" and substituting therefor the expression "section 67".

(iii) THAT, the Bill proposes to amend Section I76 (l) (h) by deleting the expression "section 60" therefor the expression "section 54".

#### **45. First Schedule: Provisions relating to the conduct of business and affairs of the Board**

THAT, the Bill proposes to amend the First schedule by deleting paragraph 3.

#### **46. Second Schedule:**

THAT, the Bill proposes to amend the Second schedule by deleting paragraph 3.

#### **47. Third Schedule: Transitional provisions**

(i) THAT, the Bill proposes to amend the Third schedule in paragraph 2 by deleting the expression "section 60" therefor the expression "section 54".

(ii) THAT, the Bill proposes to amend the Third schedule in paragraph 3 (1) by deleting the expression section 67 and substituting the expression "section 68 (2)".

(iii) THAT, the Bill proposes to amend the Third schedule in paragraph 3 (2) by deleting the expression "section 51 (2)" and substituting the expression section 68 (2).

(iv) THAT, the Bill proposes to amend the Third schedule in paragraph 4 by deleting the expression "section 67" and substituting the expression "section 138".

Justification: The NT supports the amendments as they are meant to cure cross referencing errors.

### 3.2 THE INSTITUTE FOR SOCIAL ACCOUNTABILITY

The Institute for Social Accountability (TISA) is a civil society organization committed towards the achievement of sound policy and good governance in local development, to uplift livelihoods of, especially, the poor and marginalized in Kenya. TISA has been operational since March 2008 and is a locally registered Trust that has engaged with various relevant state and non-state actors in the quest to promote effective local governance in Kenya. TISA made their proposals on the amendments to the Public Procurement and Asset Disposal Act as follows: -

#### A. Section 2 – Interpretation

**"local contractor"** means a person or a firm registered in Kenya under the Companies Act or any other written law and whose operation is based in Kenya.

TISA is not in support of the definition to *local contractor* since the proposal to include a category of "local contractor" may squeeze out Kenyan citizens as this new category opens up the procurement to include non-citizens who have registered businesses in Kenya and may include branches of multinational companies with much higher leverage. If this amendment is passed, in the long run it will deny citizen contractors, access for youth, women and persons with disabilities from competing for opportunities. The guiding principles provide that public procurement should seek to promote local, industry, sustainable development and promotion of citizen contractors.

#### **"procurement professional"**

TISA proposed the deletion of the definition of the term "procurement professional" and substitute therefor the following new definition

**"procurement professional"** means a person who has professional qualifications in procurement or supply chain management from a recognized institution and is a member of the Kenya Institute of Supplies Management or any other supply chain professional body

TISA observed that the proposed amendment to redefine a "procurement professional" is inconsistent with other professional associations. These include bodies such as; Law Society of Kenya (LSK); Institute of Certified Public Accountants of Kenya (ICPAK); Engineers Board of Kenya (EBK) etc.

These professional bodies are solely responsible for standards, capacity building, registration of members, issuing practice certificates and generally improve performance and sanction members for non-compliance etc. The amendment will undermine and damage the procurement profession as some

members will not be subject to the SPMA 2007 and Regulations 2017.

The Supplies Practitioners Management Act 2007 (SPMA) makes provision for the training, registration and licensing of supplies practitioners: to regulate their practice and for connected purposes. Section 3 establishes the Kenya Institute of Supplies Management (KISM)

The option to belong to any other supply chain professional body will lead to break down of the profession and invasion by quacks that are not subject to oversight by the legally mandated professional body.

KISM is established under an Act of Parliament and is the legally mandated body to register procurement professionals in Kenya. The import of the amendment will mean some procurement professionals will not satisfy the provisions of the SPMA 2007 and Regulations 2015.

#### **B. Section 7(2)**

The Bill seeks to amend Section 7(2) of the Principal Act Insert the following new paragraphs immediately after paragraph (1)

(1a) to develop, promote and support the training and capacity development for procurement and supply chain management services cadre at the national and county level;

TISA recommends that the amendment should be enhanced to include provision for training of suppliers and contractors especially for the disadvantaged groups, that is, youth, women and persons living with disabilities.

The role of the NT in this case is on the development and training of procurement staff. However, the other parties especially the disadvantaged groups who are also players need capacity enhancement in order to participate meaningfully.

#### **C. Section 9 (1)**

The Bill proposes to amendment of Section 9 (1) of the Principal Act by inserting the following new paragraph immediately after paragraph (r)

(s) to develop, promote and support the training and capacity development of persons involved in procurement and asset disposal.

TISA observed that it is not clear what the training and capacity development of persons involved in procurement and asset disposal entails. Suppliers and contractors especially the disadvantaged groups require training and capacity building to understand what is involved in the preparation of bids.

TISA recommended that the amendment should be enhanced to include provision for training of suppliers and contractors especially from the disadvantaged groups that is, youth, women and persons living with disabilities.

#### **D. Section 53 – Procurement Planning**

The Bill proposes to amendment of Section 53 of the Principal Act by inserting new subsections immediately after subsection (11).

(12) Upon submission of the procurement plans to the NT pursuant to section 44(2) (c), the accounting officer of a procuring entity shall publish and publicize its approved procurement plan as invitation to treat on its website.

(13) On receipt of the procurement plans submitted by the procuring entities, the NT shall publish and publicize the procurement plans as invitation to treat on the state tender portal.

TISA observed that the bill was seeking to ensure that the public are informed on the future procurement opportunities, which are a step in the right direction. However, the subsections are couched in terms, which may limit the dissemination of information to the general public. The procuring entity is only required to publish on its website and the NT on the state tender portal, which is limiting.

TISA recommends that this section should be made clear that publicize should have the meaning in the Public Finance Management Act 2012 which defines “publicize”, in relation to a document, means to make known to the public, through the national or local media—

- (a) the general nature of the document; and
- (b) how and where it may be accessed and read by members of the public;

There should be a robust disclosure regime by the procuring entities as these are crucial documents, which will foster transparency, competition and accountability. The procuring entities in preparing a procurement plan shall indicate procurement timelines, procurement methods, estimated costs, special conditions, any special requirements etc. This information guides tenderers in decision making whether to bid or not, whether they will need to associate with other firms to enhance their qualifications etc. Therefore, the information should be widely circulated not only on websites but also print media.

### **Section 80 (6)**

Delete the word "thirty" and substitute therefore the words "seven".

The amendment seeks to reduce the period of evaluation of tenders from thirty days to seven days. TISA observed that Section 83 allows entities to undertake due diligence to ascertain the qualifications of the lowest evaluated bidder and must be done within the evaluation period and hence the seven days may not be adequate to seek the clarifications and due diligence take these into consideration within the evaluation period. They further observed that a procuring entity may seek clarifications of a tender from a tenderer as provided in Section 81. Procurement in State organs and public bodies differ in terms of magnitude and complexities ranging from huge infrastructure projects to common of the shelf items. Evaluation is a critical function and shall be done using the procedures and criteria in the tender documents. They propose that Section 84 be amended to provide a timeframe in which the head of procurement function shall render the professional opinion, as this is an area of delay.

Proposal to amend S.94 (4) to Delete the words "fourteen days" and substitute therefore the words "seven days"

The purpose is to invite as many qualified firms as possible. The effect of the shortened period of time may not afford firms sufficient time to prepare and submit responsive prequalification documents. Qualified firms may not be able to participate. The call for prequalification is reduced from fourteen to seven days. Prequalification is carried out for complex and specialized goods, works and services for the purpose of identifying the best few qualified firms.

To be shortlisted firms spend time and financial resources in the preparation of these documents and hence require time to respond adequately.

### **Section 126 (3)**

Delete the expression "twenty-one" and substitute therefore the word "seven". Insert the following proviso immediately after subsection

*(3) "Provided that where the subject of procurement is complex or attracts a high number of tenderers, the accounting officer may extend the evaluation period for a further period not exceeding seven days."*

TISA noted that the seven days proposed is inadequate especially when dealing with complex and highly specialized consultancy services. The Procuring Entity may require clarifications that need to be communicated in writing sometimes to firms in different time zones. Evaluation of proposals is critical in the identification of consultants in the same manner that other evaluations are undertaken.

### **Section 135**

Delete the words "fourteen days" and substitute therefore the words "seven days".

TISA observed that the reduction of the period from 14 to 7 days may potentially deny candidates or tenderers a right of appeal as the time may not be adequate to study and file appeals on time including the necessary fees. The purpose of this section was to allow sufficient time for candidates or a tenderer who risk suffering from a breach of a duty by a procuring entity sufficient time to obtain documents and file an appeal.

#### **Section 139 (4)**

Delete the words "after twelve months from the date of signing the contract and shall only be considered".

TISA proposed that there is need to include further safeguards in this section to mitigate against bidders who may quote a lower price and seek variations at the earliest opportune moment. Tenderers may bid low in the knowledge that they can seek for a variation after signing the contract raising uncertainty in the final contract cost.

#### **Section 167 (1)**

Delete the word "fourteen" and substitute therefor the word "seven".

TISA observed that the reduction of the period from 14 to 7 days may potentially deny candidates or tenderers a right of appeal as the time may not be adequate to study and file appeals on time including the necessary fees.

The purpose of this section was to allow sufficient time for candidates or a tenderer who risk suffering from a breach of a duty by a procuring entity sufficient time to obtain documents and file an appeal.

#### **Section 169**

Renumber the existing provision as subsection (1) and insert the following subsection immediately after the renumbered subsection (1)

(2) Notwithstanding provisions of sub-section (1) filing fees for review by candidates under reserved procurements for women, youth, persons with disabilities and other disadvantaged groups may be waived by the secretary or where required fees shall be as prescribed.

TISA recommended that there should be an explicit provision that candidates falling within reserved procurements for women, youth, persons with disabilities and other disadvantaged groups shall not be required to pay fees. The secretary is given discretionary powers to waive the fees for this group, which may be used to their disadvantage.

### **3.3 KENYA NATIONAL BUREAU ON STATISTICS ACT (NO. 4 OF 2006)**

Kenya National Bureau of Statistics (KNBS) is a Semi-Autonomous Government Agency currently under The NT and planning and was established by an Act of Parliament (the Statistics Act No.4 of 2006). The KNBS core mandate includes; the collection, compilation, analysis, publication and dissemination of official statistical information for public use, with an additional role of coordinating, monitoring and supervising the National Statistical System<sup>1</sup> (NSS).

The Statistics Act No.4 of 2006 specifically mandates KNBS to undertake the following:

- (i) Act as the principal agency of the government for collecting, analysing and disseminating statistical data in Kenya;
- (ii) Act as custodian of official statistics;
- (iii) Conduct the Population and Housing Census every ten years, and such other censuses and surveys as the Board may determine;
- (iv) Maintain a comprehensive and reliable national socio-economic database;
- (v) Establish standards and promote the use of best practices and methods in the production and dissemination of statistical information across the NSS; and
- (vi) Plan, authorise, coordinate and supervise all official statistical programmes undertaken within the National Statistical System.

#### **Current Compilation Practices of Official Statistics**

The Bureau promotes use of best practices and methods in the production and dissemination of statistical information across the NSS. The compilation practices at the KNBS are guided by the fundamental principles of official statistics formulated by the United Nations Statistics Commission. These principles set out good practice, emphasizing the need for integrity and transparency and the use of scientific principles to underpin the methods and procedures used for the collection, processing, storage and presentation of statistical data.

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<sup>1</sup> National Statistical System refers to individual units engaged in the production and use of official statistics in the country. It comprises of producers, users and suppliers of statistical information. Other key players in the NSS include research and training institutions.

The quality of official statistics depends on assurance on integrity, methodological soundness, accuracy, access and reliability. In order to maintain the quality of statistics produced both at National and County levels of government, the Bureau is expected to designate statistics as official statistics. This will enhance public trust in official statistics. In this regard, the Statistics Act should provide additional powers to the Bureau to designate statistics as official statistics.

### **Rationale for proposed amendments**

It is proposed that the Statistics Act be amended to ensure norms and standards are applied in the collection, analysis and dissemination of statistical data throughout the country. This will address the issues of quality, credibility and uniformity of official statistics generated both at National and County levels of government.

The proposed amendments to the Statistics Act are made against a background of the requirement of reviewing all the existing laws to be in line with the Constitution of Kenya 2010 and to address the existing gaps in the current Act. The proposed amendments to the Statistics Act are made on the following ground:

1. The need for the Statistics Act to reflect the operations of the two levels of Government;
2. The need for a strong legal and institutional framework that aims at protecting the principles of professional independence and integrity of statistics in order to promote public trust;
3. The need for maintenance of uniform national and international standards and norms in the production and dissemination of official statistics that are comparable across the counties;
4. The need to maintain authority for professional decisions, at the national level over the scope, content and frequency of data compiled, analysed and published;
5. The need for the Act to provide powers to the Bureau to among others, designate statistics as official statistics, given that the Bureau is the custodian of official statistics;
6. The need to ensure that the Bureau adheres to predetermined schedules in the public release of important economic and other sectoral indicator data to prevent manipulation of release dates for political purposes.

Taking into account the critical role official statistics plays in the constitutional dispensation, particularly in regard to the planning and budgeting processes, it is important that timely, accurate and reliable statistics are produced for both the national and county governments.

The proposed bill is meant to address the following:

- i. Broadening the mandate of KNBS to make it the principal agency of both national and county governments for collection, compilation, analyses and dissemination of official statistics;
- ii. Application of International standards, methods, concepts, definitions and classifications in the production of official statistics both at national and county levels of government (UN Fundamental Principles of Official Statistics);
- iii. Gaps existing in the current Act

### **SPECIFICS COMMENTS ON SPECIFIC CLAUSES OF THE PROPOSED AMENDMENT**

The KNBS made the following comments and justification for each of the proposed amendments as follows: -

Long title

Proposed Amendment to the Section

The Statistics Act herein referred to as the "Principal Act" is amended by inserting in the Long title the word "Official" immediately before the word "statistical".

Provisions of the Section (As it is)

**An Act of Parliament to provide for the establishment of the Kenya National Bureau of Statistics for the collection, compilation, analysis, publication and dissemination of statistical information, and the co-ordination of the national statistical system, and for connected purposes**

**Proposed Amendment to Section 2**

Section 2 of the Principal Act is amended-

Delete the definition of the word "Minister".

Delete the definition of the word “national statistical system” and substitute therefor the following new definition-

“National Statistical System” includes producers, suppliers and users of official statistics working under the supervision and co-ordination of the Bureau including counties, ministries, departments and agencies.

Delete in the definition of the expression “population and housing census”, the word “Board” and substitute therefor the word “Bureau”.

Insert the following new definitions in proper alphabetical sequence –

“Agency” includes individuals, institutions or groups of persons;

“Cabinet Secretary” means the Cabinet Secretary responsible for matters relating to statistics;

“coordination” includes technical advice to ensure that standards and methods are met and adherence to the code of practice in statistical production and dissemination;

“official statistics” means statistics produced by the Bureau and any other statistics designated as official by the Director-General;

“Government” means the national and county governments;

“professional independence” means independence of production and dissemination of statistics from interference or influence by any individual, interest group or political authority;

“sampling frame” includes a representative list of items that form a population from which a sample is drawn for the purpose of conducting a survey and includes individuals, households or institutions and may be a National Sample Survey and Evaluation Programme, the Business Register or any other frame of the Bureau.

#### Provisions of the Section (As it is)

In this Act, unless the context otherwise requires—

“authorized officer” means a person appointed as such under section 10;

“Bureau” means the Kenya National Bureau of Statistics established under section 3; and disseminating statistical data in Kenya and shall be the custodian of statistical information.

Justification:

**To bring in new definition to reflect the current organization of the Government as defined by the 2010 Kenyan Constitution.**

Inserting a new section 3A to 3C.

Section 3 of the Principal Act is amended by inserting the following new sections-

**“3A.** The Bureau may request for legal advice or representation from the Office of the Attorney General.

**3B.** The Bureau shall have professional independence and shall observe the fundamental principles relating to statistics as set out in the Schedule.

**3C.** The Bureau shall have its headquarters in Nairobi but may establish field offices at any place within the country”.

Justification: **The amendment in 3 A seeks to ensure the Bureau is not exposed to unnecessary litigation. The amendment in 3B is also meant to ensure the Bureau has professional independence in carrying out its mandate. In 3B, the amendment seeks ensure certainty of Bureau offices in Nairobi and Counties.**

**The Principal Act is amended in Section 4-**

(b) In subsection (2)-

(i) In paragraph (b) by deleting the word “promoting” and substituting therefor with the word “ensuring”.

(ii) By inserting the following new paragraphs

“(f) developing and maintaining Bureau sampling frames.

(g) to collaborate and assist the county governments and any other institutions in production of Official Statistics”.

### **Provisions in the Principal Act**

. (1) The Bureau shall be the principal agency of the Government for collecting, analysing and disseminating statistical data in Kenya and shall be the custodian of official statistical information.

(2) Without prejudice to the generality of subsection (1), the Bureau shall be responsible for—

(a) planning, authorizing, co-ordinating and supervising all official statistical programmes undertaken within the national statistical system;

(b) establishing standards and promoting the use of best practices and methods in the production and dissemination of statistical information across the national statistical system;

(c) collecting, compiling, analyzing, abstracting and disseminating statistical information on the matters specified in the First Schedule;

(d) conducting the Population and Housing Census every ten years, and such other censuses and surveys as the Board may determine; and

(e) maintaining a comprehensive and reliable national socio-economic database.

### **Justification:**

To ensure the mandate of the bureau is expanded to cover giving of service to county governments

### **The Principal Act is amended in section 5-**

(aa) In Subsection (1)

Paragraph (b) and (c) by deleting the word “Permanent” and substituting therefor with the word “Principal” wherever it appears in the subsection.

In paragraph (d) by deleting the word “Minister” and substituting therefor with the word “Cabinet Secretary” immediately before the words “to represent”.

in subparagraph (v) by deleting the word “Coordinating Agency” and substituting with the word “Council”

(bb) by inserting the following new subparagraphs

(vi) one person nominated by the Council of Governors” and

(cc) by deleting the word “five” and substituting therefor with the word “six” immediately before the word “other”.

(dd) In Subsection (3) by inserting the following words “meets the requirements of Chapter Six of the Constitution and” immediately before the word “has”.

(ee) In Subsection (3) by inserting the following words

### **Provisions in the Principal Act**

5. (1) The management of the Bureau shall vest in a Board of Directors which shall consist of—

(a) a chairman appointed by President;

(b) the Permanent Secretary in the Ministry for the time being responsible for statistics;

(c) the Permanent Secretary Ministry responsible for finance; and

(d) five other members appointed by the Minister to represent the bodies for the time being recognized by the Government as representing—

(i) the private sector;

(ii) the non-Governmental Organizations;

(iii) research institutions;

(iv) the public universities; and

(v) the National Co-ordinating Agency for Population and Development.

(2) Every appointment to the Board under section 6(1) shall be by name and by notice in the Gazette and shall be for a renewable period of three years.

(3) A person shall be qualified to be appointed under this subsection (1)(d) if such person has a university degree in—

(a) statistics;

(b) information technology;

(c) economics;

(d) social sciences, or

(e) mathematics;

In addition to knowledge and experience in the matters to which the functions of the Board relate.

**Justification:**

To align the act with the Kenyan Constitution 2010 and incorporate new Board Members so as to ensure all stakeholders are represented in the Board

**The Principal Act is amended in Section 6-**

(a) In subsection (1) By deleting paragraph (d) and substituting therefor the following new paragraph

“(d) Promote professionalism by facilitating professional training and instilling discipline among the staff”.

(b) In subsection (1) paragraph (f) by deleting the word “Minister” and substituting therefor with the word “Cabinet Secretary”

### **Provisions in the Principal Act**

6(1) The functions of the Board shall be to:

(d) promote professionalism and discipline among the staff of the Bureau by facilitating professional training;

(f) submit to the Minister a quarterly report on the activities of the Bureau.

### **Justification:**

The amendment seeks to separate the role of the Board from that of Management so as to ensure to ensure the Board handles only policy issues. The amendment also seeks to align the Statistics Act with the Constitution of Kenya 2010.

### **The Principal Act is amended in Section 8-**

(a) In Subsection (2)

(i) by inserting the words “and meets the requirements of Chapter Six of the Constitution” immediately after the word “such person”

(ii) by deleting the expression “as specified in section 5 (3)”

(iii) by deleting the words “in a relevant field” and substituting therefor with the following words “Statistics, Economics, Demography or Mathematics” immediately before the word “degree”.

(b) In Subsection (4) paragraph (a) by inserting the following new subparagraphs immediately after the word “Bureau” “and specifically the following:-

(i) formulate quality criteria and establish standards, classifications and procedures for production and dissemination of statistics;

(ii) provide technical advice on statistics to other organs of state;

(iii) promote coordination among producers, users and suppliers of official statistics by forming appropriate sector committees;

(iv) designate statistics produced by national statistical system as Official Statistics on being satisfied that the necessary criteria have been followed”.

8(2) A person shall not be qualified for appointment as the Director- General unless such person has an advanced degree in a relevant field as specified in section 5(3) and at least ten years experience in the management of public or private institutions.

(4) In the exercise of his functions under this Act, the Director- General shall, subject to the direction of the Board—

(a) be responsible for the day-to-day management of the Bureau;

#### **Provisions in the Principal Act**

8(2) A person shall not be qualified for appointment as the Director- General unless such person has an advanced degree in a relevant field as specified in section 5(3) and at least ten years experience in the management of public or private institutions.

(4) In the exercise of his functions under this Act, the Director- General shall, subject to the direction of the Board—

(a) be responsible for the day-to-day management of the Bureau;

#### **Justification:**

The amendment seeks to align the Principal Act with the Constitution of Kenya 2010 and to empower the Director General coordinate or data produced in the National Statistical System.

#### **Create a new section- Corporation Secretary**

**8A.** (1) There shall be a Corporation Secretary of the Bureau who shall, subject to this section, be appointed by the Board, on such terms and conditions of service as the Board may determine.

(2) A person shall not be appointed as Corporation Secretary unless such person —

holds a postgraduate degree in law from a recognized university;

is an advocate of the High Court of not less than eight years standing;

holds a certified public secretaries' qualification from a recognized institution; and

meets the requirements of chapter Six of the Constitution.

(3) The Corporation Secretary shall, subject to the direction of the Board be responsible for —

coordinating and circulating the preparation of Board papers to members of the Board;

taking minutes in meetings of the Board and ensuring the implementation of resolutions of the Board;

ensuring safe custody of the minutes, decisions and documents of the Board;

ensuring the safe custody of the seal of the Bureau;

drafting legal documents on behalf of the Bureau;

defending and representing the bureau by attending court proceedings on behalf of the Bureau;

advising the Board on any legal matters; and

any other matter that the Board may direct.

**Justification:**

The amendment seeks to align the Principal Act with the Mwongozo Guideline in order to provide for the Office of Corporation Secretary.

**The Principal Act is amended in Section 13**

(a) By deleting the word “Minister” and substituting therefor with the word “Cabinet Secretary”.

(b) By inserting the word “National” immediately before the word “Treasury”.

### **Provisions in the Principal Act**

The Board shall, not less than four months before the commencement of any financial year, prepare and submit to the Minister for approval in concurrence with the Treasury, estimates of the Bureau’s revenue and expenditure for that financial year, and once such approval has been given no expenditure shall be made for which provision has not been made in such estimates.

#### **Justification:**

The amendment seeks to align the Principal Act with the Constitution of Kenya 2010.

### **Amendment in Section 17**

The Principal Act is amended in Section 17 by deleting the word “Minister” and substituting therefor with the word “Cabinet Secretary”.

### **Provisions in the Principal Act**

The Minister may, on the advice of the Board, by order published in the Gazette direct that a Population and Housing Census be taken for Kenya or for any part thereof or in respect of any class of inhabitants thereof, and any such directions may specify.

#### **Justification:**

The amendment seeks to align the Principal Act with the Constitution of Kenya 2010.

### **Amendment in Section 18(1)**

The Principal Act is amended in Section 18(1) by deleting the word “local level” and substituting therefor with the words “County level using the Bureau frame and infrastructure” immediately before the word “shall”.

## **Provisions in the Principal Act**

18(1) Any agency other than the Bureau, wishing to conduct a census or survey at national, or local level shall seek the approval of the Board.

### **Justification:**

The amendment seeks to align the Principal Act with the Constitution of Kenya 2010.

### **Amendment in Section 19(3)**

The Principal Act is amended in Section 19(3) by inserting the words “or by electronic means” immediately after the word “address”.

## **Provisions in the Principal Act –**

19 (3) An authorized officer may require any person or establishment to supply him with particulars either by interviewing the person or by leaving at or posting to his last known address a form having thereon a notice requiring the form to be completed and returned in such manner and within such time as shall be specified in the notice.

**Justification:** To take into account the changes in technology

## **The Principal Act is amended in Section 20**

- (a) by inserting the words “or entity or households” immediately after the word “establishment”
- (b) by deleting the word “public” immediately before the word “record”
- (c) by deleting the words “of any local authority” immediately before the word “from”

## **Provisions in the Principal Act –**

Any person or establishment having the custody of, or being in charge of, any public records or documents of any local authority from which information sought in furtherance of the purposes of this Act can, in the opinion of the Director-General, be obtained, or which would aid in the completion or correction of information already obtained, shall grant the Director-General access to such records or documents for the purposes of obtaining therefrom the required information.

**Justification:**

To empower the Bureau to collect data from all households, public bodies, counties and establishments.

**New section inserted**

The Principal Act is amended in Section 23 by inserting the following new subsection

“(3) The Director- General may, with the approval of the Board, cause any official statistical data collected, analyzed and disseminated by the Bureau to be cancelled, revised or adjusted after ascertaining that they are not accurate”.

**Justification:**

To empower the Bureau recall and cancel any inaccurate data released to the public.

**The Principal Act is amended in Section 24-**

(a) In subsection (1) by deleting the word “one” and substituting therefor with the word “five” immediately before the word “hundred”

(b) In subsection (2) by deleting the word “one” and substituting therefor with the word “five” immediately before the word “hundred”.

**Provisions in the Principal Act –**

24 (1) Any person who hinders or obstructs the Director-General or any authorized officer in the execution of any powers conferred under this Act, commits an offence and shall be liable on conviction to a fine not exceeding one hundred thousand shillings, or to imprisonment for a term not exceeding twelve months, or to both

(2) Any person who willfully fails to give any information or particular as required under this Act commits an offence and shall be liable on conviction to a fine not exceeding one hundred thousand shillings or to imprisonment for a term not exceeding six months, or to both.

**Justification:**

To increase the penalties taking into account the changing economic situation.

**Inserting new section**

The Principal Act is amended in Section 26 by renumbering the paragraphs accordingly and-

(a) by inserting the following new paragraphs immediately after paragraph (g)

“(h) Redistributes or sells Bureau materials without written authority from the Director-General.

(i) Uses Bureau data for investigation of specific individuals or organizations or any other purpose other than statistical purposes

(j) Create links among datasets provided by the Bureau, or among data from the Bureau and other datasets for personal gain without consent of the Bureau,

**Justification:**

To create new offences to reflect changing times.

**Amendment in Section 27**

The Principal Act is amended in Section 27 by inserting the word “of” immediately after the word “provision”

**Provisions in the Principal Act –**

27 (2) The provisions subsection (1) shall not relieve the Bureau of the liability to pay compensation or damages to any person for the injury to him or damage to his property or any of his interests caused by the exercise of any powers conferred by this Act or any other written law, or any failure, whether wholly or partially of any works.

### Amendment in Section 29

The Principal Act is amended in Section 29 by deleting the word “Minister” and substituting therefor with the word “Cabinet Secretary”

### Provisions in the Principal Act –

The Board may with the approval of the Minister make regulations for the better carrying into effect of the provisions of this Act, and in particular, but without prejudice to the generality of the foregoing, may:

**Justification:** To align the Act with the Constitution of Kenya 2010.

### Amend First Schedule

The First Schedule to the Principal Act is amended by deleting and substituting therefor with the following new Schedule.

MATTERS CONCERNING WHICH STATISTICAL INFORMATION MAY BE COLLECTED, COMPILED, ANALYSED, ABSTRACTED AND PUBLISHED

S/No.		National Government	National and County Governments
1.	Population	KNBS	
2.	Births & Deaths		Both
3.	Immigration & Emigration	KNBS	
4.	Hotels and Tourism		Both
5.	Housing		Both
6.	Real Property		Both
7.	Land, topography & climate		Both
8.	Finance and Insurance	KNBS	
9.	International Trade, and Balance of Payments	KNBS	
10.	Capital Investment	KNBS	

11.	Savings	KNBS	
12.	Expenditure and Consumption	KNBS	
13.	Wholesale and retail trade, repair of motor vehicles and motorcycles	KNBS	
14.	Manufacturing	KNBS	
15.	Construction		Both
16.	Mining and quarrying		Both
17.	Agriculture		Both
18.	Forestry and Logging		Both
19.	Fishing		Both
20.	Producer, wholesale and retail prices of commodities	KNBS	
21.	Employment, earnings and unemployment		Both
22.	Labour		Both
23.	Energy		Both
24.	Water and sanitation		Both
25.	Transport and Storage		Both
27.	County Government		Both
28.	Community, business and personal services		Both
29.	Arts, entertainment and recreation		Both
30.	Cooperatives		Both
31.	Environment and natural resources		Both
32.	Informal sector		Both
33.	Health		Both

34.	Nutrition		Both
35.	Information and communication		Both
36.	Education and literacy		Both
37.	Governance		Both
38.	Peace and security		Both
39.	Affirmative action		Both
40.	Innovation, science and technology	KNBS	
41.	Research and development	KNBS	
42.	Human Development Indices	KNBS	
43.	Poverty		Both
44.	Gender		Both
45.	Food security		Both
46.	Vital and other social statistics		Both
47.	Any other matter related to the above		Both

**Justification:** To provide for statistics that can be produced by both the National and County Governments.

### **Inset new Schedule 3C - Fundamental Principles of Official Statistics**

**Principle 1.** Official statistics provide an indispensable element in the information system of a democratic society, serving the Government, the economy and the public with data about the economic, demographic, social and environmental situation. To this end, official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by Kenya National Bureau of Statistics to honour citizens' entitlement to public information

**Principle 2.** To retain trust in official statistics, the Kenya National Bureau of Statistics will apply strictly the professional considerations, including scientific principles and professional ethics, on the methods and procedures for the collection, processing, storage and presentation of statistical data.

**Principle 3.** To facilitate a correct interpretation of the data, Kenya National Bureau of Statistics will present information according to scientific standards on the sources, methods and procedures of the statistics.

**Principle 4.** The Kenya National Bureau of Statistics is entitled to comment on erroneous interpretation and misuse of statistics.

**Principle 5.** Data for statistical purposes may be drawn from all types of sources, be they statistical surveys or administrative records. Kenya National Bureau of Statistics will choose the source with regard to quality, timeliness, costs and the burden on respondents.

**Principle 6.** Individual data collected by Kenya National Bureau of Statistics for statistical compilation, whether they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes.

**Principle 7.** Kenya National Bureau of Statistics will Cooperate with other National statistical agencies within their countries to achieve consistency and efficiency in the National Statistical System.

**Principle 8.** The Kenya National Bureau of Statistics will apply the international concepts, classifications and methods to promote the consistency and efficiency of the National Statistical System at all official levels.

**Justification:** To provide the guiding principles under which the Bureau operates to further improve confidentiality, efficiency as well as professionalism.

#### **4.0 COMMITTEE'S STAGE AMENDMENTS**

Having considered the Bill and engagement with the National Treasury, the Committee made the following amendments;

#### **SCHEDULE**

THAT the Schedule to the Bill be amended—

in the proposed amendments to the Statistics Act by —

Inserting the following new amendment—

s.5(3) Insert the word “preferably” immediately after the word “degree”;

in the proposed section 6(1) (d) by deleting the words “and ensuring discipline among the staff”;

Inserting the following new amendment—

s.8 (1) Delete and substitute thereof the following new subsection-

The Director-General shall be recruited through a competitive process by the Board and appointed by the President, with the approval of the National Assembly.

by deleting the following proposed amendment to section 8(2) –

“Delete the expression “an advanced degree in a relevant field as specified in section 5(3)” and substitute therefor the expression “a degree in statistics, economics, demography or mathematics”.

in the proposed new section 8A by-

(i) in paragraph (a) by deleting the word “postgraduate”;

(ii) deleting paragraph (c) and substituting thereof the following new paragraph-

(c) is a registered Certified Public Secretary in good standing with the Institute;

(2) in the proposed amendments to the Public Procurement and Asset Disposal Act —

in the proposed amendment to section 2 by inserting the following definition—

“publicize” has the meaning assigned to it under the Public Finance Management Act;

by deleting the proposed amendment to section 7(2) and substituting therefor the following new amendment-

s. 7(2) Insert the following new paragraphs immediately after paragraph (l)-

(la) to develop and promote the training and capacity development for procurement and supply chain management services cadre at the national level;

(lb) to support the training and capacity development for

procurement and supply chain management services cadre at the county level;

(lc) develop and manage the state portal on procurement and asset disposal and ensure that it is available and easily accessible.

in the proposed amendments to section 9(1) by inserting the following new amendment-

Renumber the existing paragraph (s) as (t)

by deleting the proposed amendment to section 41 (1) (j) and substituting therefor the following new amendment—

s. 41 (1) Insert the following new paragraph immediately after paragraph (i)—

(j) is determined by the review Board to have filed a request that is frivolous or vexatious or made solely for the purpose of delaying the procurement or procurement or performance of a contract.

in the proposed amendment to section 46 (4) (c) by deleting the word “an” appearing before the word “officer” and substituting therefor the words “a qualified and experienced procurement”

by inserting the following new amendment—

s. 55(1) Delete the expression “section 38” and substitute therefor the expression “section 41”

in the proposed amendment to section 121(4) by inserting the word “entity” immediately after the word “procuring”;

in the proposed amendment to section 124 by deleting the expression “alternative selection methods” and substituting therefor the expression “single source selection”

by deleting the proposed amendment to section 139 (4).

## 5.0 ANNEXTURES

Minutes

Adoption schedule

REPUBLIC OF KENYA



NATIONAL ASSEMBLY

DEPARTMENTAL COMMITTEE ON FINANCE & NATIONAL PLANNING  
ADOPTION SCHEDULE OF THE REPORT ON STATUTE LAW (MISCELLANEOUS  
AMENDMENTS) BILL, 2018 (NATIONAL ASSEMBLY BILLS NO. 13)

DATE: 26<sup>TH</sup> JUNE, 2018

NAME	SIGNATURE
1. HON. JOSEPH K. LIMO, MP – CHAIRMAN	
2. HON. ISAAC W. NDIRANGU – VICE-CHAIRMAN	
3. HON. JIMMY O. ANGWENYI, MP	
4. HON. ALFRED W. SAMBU, MP	
5. HON. ENOCH KIBUNGUCHY, MP	
6. HON. SHAKEEL SHABBIR AHMED, MP	
7. HON. ABDUL RAHIM DAWOOD, MP	
8. HON. DANIEL E. NANOK, MP	
9. HON. ANDREW A. OKUOME, MP	
10. HON. DAVID M. MBONI, MP	
11. HON. KURIA KIMANI, MP	
12. HON. JOSEPH M. OYULA, MP	
13. HON. JOSHUA KANDIE, MP	
14. HON. LYDIA H. MIZIGHI, MP	
15. HON. MOHAMED ALI, MP	
16. HON. PURITY NGIRICI, MP	
17. HON. SAMUEL ATANDI, MP	
18. HON. STANLEY M. MUTHAMA, MP	



**MINUTES OF THE 42<sup>ND</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON  
FINANCE AND NATIONAL PLANNING HELD ON THURSDAY, 21<sup>ST</sup> JUNE, 2018 IN  
THE COMMISSION BOARD ROOM ON FIRST FLOOR COUNTY HALL AT 9.00 AM**

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**PRESENT**

1. Hon. Joseph K. Limo, MP - **Chairperson**
2. Hon. Isaac W. Ndirangu, MP- **Vice Chairperson**
3. Hon. Jimmy O. Angwenyi, MP
4. Hon. Shakeel Shabbir Ahmed, MP
5. Hon. Abdul Rahim Dawood, MP
6. Hon. Andrew A. Okuome, MP
7. Hon. David M. Mboni, MP
8. Hon. Joseph M. Oyula, MP
9. Hon. Joshua C. Kandie, MP

**APOLOGY**

1. Hon. Alfred Sambu, MP
2. Hon. Dr. Enoch Kibunguchy, MP
3. Hon. Daniel E. Nanok, MP
4. Hon. Francis K. Kimani, MP
5. Hon. Lydia H. Mizighi, MP
6. Hon. Mohamed A. Mohamed, MP
7. Hon. Purity W. Ngirici, MP
8. Hon. Samuel Atandi, MP
9. Hon. Stanley M. Muthama, MP

**INATTENDANCE**

**SECRETARIAT**

- |                          |   |                                  |
|--------------------------|---|----------------------------------|
| 1. Ms. Leah Mwaura       | - | First Clerk Assistant/Lead Clerk |
| 2. Ms. Jennipher Ndeto   | - | Principal Legal Counsel          |
| 3. Ms. Laureen Wesonga   | - | Third Clerk Assistant            |
| 4. Mr. Chelang'a Maiyo   | - | Research and Policy Analyst      |
| 5. Mr. Collins Mahamba   | - | Audio Officer                    |
| 6. Mr. Vitalis Augo      | - | Office Attendant                 |
| 7. Mr. John Njoro        | - | Sergeant at Arms                 |
| 8. Mr. Hiram Muiruri     | - | Intern                           |
| 9. Ms. Catherine Waireri | - | Intern                           |

## **Agenda**

1. Prayers
2. Preliminaries/Introductions
3. Communication from the Chair
4. Bills
5. Petitions
6. Papers
7. Personal statement (**Members Only**)
8. Confirmation of Minutes
9. Matters Arising
10. **Clause by Clause consideration of the Statute Law (Miscellaneous Amendments) Bill, 2018 (National Assembly Bill No. 13)**
11. Adjournment

### **MIN.NO.NA/F&NP/2018/206:PRELIMINARIES/COMMUNICATION FROM THE CHAIRPERSON**

The meeting was called to order at 09:30 a.m with prayer from the Chairperson. He then welcomed the meeting to deliberate on the day's agenda.

### **MIN.NO.NA/F&NP/2018/207: CONFIRMATION OF MINUTES**

Agenda deferred

### **MIN.NO.NA/F&NP/2018/208: CLAUSE BY CLAUSE CONSIDERATION OF THE STATUTE LAW (MISCELLANEOUS AMENDMENTS) BILL, 2018 (NATIONAL ASSEMBLY BILL NO. 13)**

The Committee considered the remaining clauses on the proposed amendments to the Public Procurement and Asset Disposal Act. The Committee proposed agreed as follows:-

**Section 51** – The Committee agreed to the proposed amendment as contained in the Bill.

#### **Section 53(12)**

TISA's proposal that the definition of "publicise" should be as per the Public Finance Management Act 2012 was accepted.

**Section 53(13)**- The Committee agreed to the proposed amendment as contained in the Bill.

**Section 54** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 55(1)** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 67(4)** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 69** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 70(6)** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 71(3)** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 80(3)** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 80(6)** – The Committee agreed to the proposed amendment as contained in the Bill.

TISA's proposal that the thirty day period be retained was rejected because the additional days may create opportunities for fraudulent practices. The reduced time frame will also increase effectiveness.

**Section 84(1)**

TISA's proposal to provide a time frame was adopted by the Committee. The clause will therefore be amended as follows:-

*“The head of procurement function of a procuring entity shall, alongside the report to the evaluation committee as secretariat comments, review the tender evaluation report and provide a signed professional opinion to the accounting officer on the procurement or asset disposal proceedings **within seven days.**”*

**Section 89(b)** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 92** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 94(4)**

TISA's proposal that the seven days may not be adequate was adopted and the clause should be amended to read as follows:-

*“The accounting officer of a procuring entity shall allow the candidates at least **seven days** to prepare and submit their applications to be pre-qualified. **Also provides for an additional seven days if the tender is complex.**”*

**Section 98(1)** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 114(6)** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 117** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 119(1)** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 121** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 124(14)** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 124(15)** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 124(16)** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 126(3)** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 135(3)** – The Committee agreed to the proposed amendment as contained in the Bill.

TISA's proposed that the reduction of the time would be insufficient because it would deny candidates the right to appeal was rejected. This is because additional time could lead to canvassing. The proposal to increase timelines was rejected.

**Section 134(4)** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 126(1)** – The Committee agreed to the proposed amendment as contained in the Bill.

**Section 139(4)** – The Committee rejected the proposed amendment as contained in the Bill  
TISA's observed that the 12 months from the date of signing the contract is a safeguard in this section to mitigate against bidders who may quote a lower price and seek variations at the earliest opportune moment was accepted. The Committee also observed that the reduction of period of variation could potentially be misused by bidders ensuring they quote a lower value with the hope they can vary immediately after award.

**Section 167(1)** – The Committee agreed to the proposed amendment as contained in the Bill  
TISA’s proposal that the reduction of time would be insufficient because it would deny candidates the right to appeal was rejected. This is because additional time could lead to canvassing.

**Section 167(4)(b)** – The Committee agreed to the proposed amendment as contained in the Bill

**Section 168** – The Committee agreed to the proposed amendment as contained in the Bill

**Section 169(1)** – Agreed to

TISA’s proposal that the secretary is not given discretionary powers to waive fees for this group was adopted. The clause should be changed to read as follows:-

*“Notwithstanding provisions of subsection (1), filing fees for review by candidates under reserved procurements for women, youth, persons with disabilities and other disadvantaged groups shall be waived by the secretary or where required fees shall be prescribed.”*

**Section 172** – The Committee agreed to the proposed amendment as contained in the

**Section 173(c)** – The Committee agreed to the proposed amendment as contained in the Bill

**Section 176(1)(e)** – The Committee agreed to the proposed amendment as contained in the Bill

**Section 176(1)(f)** – The Committee agreed to the proposed amendment as contained in the Bill

**Section 176(1)(h)** – The Committee agreed to the proposed amendment as contained in the Bill

**First Schedule, Paragraph 3**– The Committee agreed to the proposed amendment as contained in the Bill

**Second Schedule, Paragraph 3**– The Committee agreed to the proposed amendment as contained in the Bill

**Third Schedule, Paragraph 2** – The Committee agreed to the proposed amendment as contained in the Bill

**Third Schedule, Paragraph 3(1)** – The Committee agreed to the proposed amendment as contained in the Bill

**Third Schedule, Paragraph 3(2)** – The Committee agreed to the proposed amendment as contained in the Bill

**Third Schedule, Paragraph 4** – The Committee agreed to the proposed amendment as contained in the Bill

**The Committee proposed the following amendments: -**

(a) by inserting the following new amendment—

s. 55(1) Delete the expression “section 38” and substitute therefor the expression “section 41”

(b) in the proposed amendment to section 121(4) by inserting the word “entity” immediately after the word “procuring”;

(c) in the proposed amendment to section 124 by deleting the expression “alternative selection methods” and substituting therefor the expression “single source selection”;

(d) by deleting the proposed amendment to section 139 (4).

**MIN.NO.NA/F&NP/2018/209: ANY OTHER BUSINESS**

1. Hon. David M. Mboni, MP reported that the Committee Members had collected Kshs. 100,000 in support of the Committee’s Legal Counsel’s (Ms. Lynette Otieno) family for the passing of her father.
2. The Committee’s Research and Policy Analyst was tasked to research and report to the Committee about the country’s public debt level.

**MIN.NO.NA/F&NP/2018/210: ADJOURNMENT**

There being no other business to deliberate on, the meeting was adjourned at 11.20am. The next meeting will be held on Tuesday, 26<sup>th</sup> June, 2018 at 10.00am.

**HON. JOSEPH K. LIMO, MP**

**(CHAIRPERSON)**

SIGNED .....



DATE.....

26/6/18

**MINUTES OF THE 41<sup>ST</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON  
FINANCE AND NATIONAL PLANNING HELD ON WEDNESDAY, 20<sup>TH</sup> JUNE, 2018 IN  
MINI CHAMBERS, COUNTY HALL AT 11.00 AM**

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**PRESENT**

1. Hon. Joseph K. Limo, MP - **Chairperson**
2. Hon. Jimmy O. Angwenyi, MP
3. Hon. Shakeel Shabbir Ahmed, MP
4. Hon. Abdul Rahim Dawood, MP
5. Hon. Andrew A. Okuome, MP
6. Hon. David M. Mboni, MP
7. Hon. Joseph M. Oyula, MP
8. Hon. Francis K. Kimani, MP
9. Hon. Joshua C. Kandie, MP
10. Hon. Lydia H. Mizighi, MP
11. Hon. Purity W. Ngirici, MP

**APOLOGY**

1. Hon. Isaac W. Ndirangu, MP- **Vice Chairperson**
2. Hon. Alfred Sambu, MP
3. Hon. Dr. Enoch Kibunguchy, MP
4. Hon. Daniel E. Nanok, MP
5. Hon. Mohamed A. Mohamed, MP
6. Hon. Samuel Atandi, MP
7. Hon. Stanley M. Muthama, MP

**INATTENDANCE**

**SECRETARIAT**

- |                         |   |                                  |
|-------------------------|---|----------------------------------|
| 1. Ms. Leah Mwaura      | – | First Clerk Assistant/Lead Clerk |
| 2. Ms. Jennipher Ndeto  | – | Principal Legal Counsel          |
| 3. Ms. Laureen Wesonga  | – | Third Clerk Assistant            |
| 4. Mr. Abdirahman Gorod | – | Fiscal Analyst                   |
| 5. Mr. Collins Mahamba  | – | Audio Officer                    |
| 6. Mr. Vitalis Augo     | – | Office Attendant                 |
| 7. Ms. Cate Waireri     | – | Intern                           |

**Agenda**

1. Prayers

2. Preliminaries/Introductions
3. Communication from the Chair
4. Bills
5. Petitions
6. Papers
7. Personal statement (**Members Only**)
8. Confirmation of Minutes
9. Matters Arising
10. **Clause by Clause consideration of the Statute Law (Miscellaneous Amendments) Bill, 2018 (National Assembly Bill No. 13)**
11. Adjournment

**MIN.NO.NA/F&NP/2018/201: PRELIMINARIES/COMMUNICATION FROM THE CHAIRPERSON**

The meeting was called to order at 11:30 a.m with prayer from the Chairperson. He then welcomed the meeting to deliberate on the day's agenda.

**MIN.NO.NA/F&NP/2018/202: CONFIRMATION OF MINUTES**

Agenda deferred

**MIN.NO.NA/F&NP/2018/203: CLAUSE BY CLAUSE CONSIDERATION OF THE STATUTE LAW (MISCELLANEOUS AMENDMENTS) BILL, 2018 (NATIONAL ASSEMBLY BILL NO. 13)**

The Committee considered the proposed amendments to the Public Procurement and Asset Disposal Act as contained in the Statute Law ( Misc. Amendments) Bill, 2018 No. 13 of 2018. The Committee with as follows: -

**Section 2** – Agreed to

TISA's proposed amendment to the definition of "procurement professional" was rejected by the Committee because it had no justification.

**Section 7 (2)** – Agreed to

TISA's proposed amendment to the Section was not adopted because the Bill as is caters for their proposal. There was no justification for their proposed amendment.

**Section 9 (1)** – Agreed to. The clause should be renumbered.

**Section 26** – Agreed to

**Section 39** – Agreed to

**Section 40** – Agreed to

**Section 41** – Agreed to

**Section 43** – Agreed to

Section 44 – Agreed to

**Section 46(4)(c)**

Should be amended to read as follows:-

“or a **qualified and experienced** officer from the procurement function appointed in writing by the head of the procurement function.”

Section 46(6) – Agreed to

Section 48(2) – Agreed to

The Committee proposed the following amendments in the proposed amendments to the Public Procurement and Asset Disposal Act –

- (a) in the proposed amendment to section 2 by inserting the following definition—  
“publicize” has the meaning assigned to it under the Public Finance Management Act;
- (b) by deleting the proposed amendment to section 7(2) and substituting therefor the following new amendment-
  - s. 7(2) Insert the following new paragraphs immediately after paragraph (l)-
    - (la) to develop and promote the training and capacity development for procurement and supply chain management services cadre at the national level;
    - (lb) to support the training and capacity development for procurement and supply chain management services cadre at the county level;
    - (lc) develop and manage the state portal on procurement and asset disposal and ensure that it is available and easily accessible.
- (c) in the proposed amendments to section 9(1) by inserting the following new amendment-  
  
Renumber the existing paragraph (s) as (t)
- (d) by deleting the proposed amendment to section 41 (1) (j) and substituting therefor the following new amendment—
  - s. 41 (1) Insert the following new paragraph immediately after paragraph (i)—
    - (j) is determined by the review Board to have filed a

request that is frivolous or vexatious or made solely for the purpose of delaying the procurement or procurement or performance of a contract.

- (e) in the proposed amendment to section 46 (4) (c) by deleting the word “an” appearing before the word “officer” and substituting therefor the words “a qualified and experienced procurement”

**MIN.NO.NA/F&NP/2018/204: ANY OTHER BUSINESS**

**Leadership and Governance Programme in Singapore** - Hon. Shakeel Shabbir Ahmed, MP briefed the meeting about the Leadership and Governance Programme held in Singapore between 11<sup>th</sup> and 15<sup>th</sup> June, 2018. The Chairperson requested the delegation to submit their report for the entire Committee to also benefit from lessons learnt from the conference.

**MIN.NO.NA/F&NP/2018/205: ADJOURNMENT**

There being no other business to deliberate on, the meeting was adjourned at 1.35pm. The next meeting will be held on 21<sup>st</sup> June, 2018 at 9.00am.

**HON. JOSEPH K. LIMO, MP**

**(CHAIRPERSON)**

SIGNED .....  ..... DATE 26/6/18 .....

**MINUTES OF THE 40<sup>TH</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON  
FINANCE AND NATIONAL PLANNING HELD ON TUESDAY, 19<sup>TH</sup> JUNE, 2018 IN  
THE MINI CHAMBER, COUNTY HALL AT 10.00 AM**

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**PRESENT**

1. Hon. Joseph K. Limo, MP - **Chairperson**
2. Hon. Jimmy O. Angwenyi, MP
3. Hon. David M. Mboni, MP
4. Hon. Joseph M. Oyula, MP
5. Hon. Joshua C. Kandie, MP
6. Hon. Samuel Atandi, MP
7. Hon. Francis K. Kimani, MP
8. Hon. Shakeel Shabbir Ahmed, MP

**APOLOGY**

1. Hon. Isaac W. Ndirangu, MP- **Vice Chairperson**
2. Hon. Abdul Rahim Dawood, MP
3. Hon. Alfred Sambu, MP
4. Hon. Daniel E. Nanok, MP
5. Hon. Dr. Enoch Kibunguchy, MP
6. Hon. Lydia H. Mizighi, MP
7. Hon. Mohamed A. Mohamed, MP
8. Hon. Stanley M. Muthama, MP
9. Hon. Andrew A. Okuome, MP
10. Hon. Purity W. Ngirici, MP

**INATTENDANCE**

**SECRETARIAT**

- |                        |   |                                  |
|------------------------|---|----------------------------------|
| 1. Ms. Leah Mwaura     | – | First Clerk Assistant/Lead Clerk |
| 2. Ms. Jennifer Ndeto  | – | Principal Legal Counsel          |
| 3. Mr. Josephat Motonu | - | Fiscal Analyst I                 |
| 4. Mr. John Njoro      | – | Serjeant-At-Arms                 |
| 5. Mr. Collins Mahamba | – | Audio Officer                    |

## **Agenda**

1. Prayers
2. Preliminaries/Introductions
3. Communication from the Chair
4. Bills
5. Petitions
6. Papers
7. Personal statement (**Members Only**)
8. Confirmation of Minutes
9. Matters Arising
10. **Bills**
  1. **Adoption of the Report on the Consideration of the Statute Law (Misc. Amendments) Bill, 2018 (National Assembly Bill No.12):-**
  2. **Clause by Clause consideration of the Statute Law (Misc. Amendments) Bill, 2018 (National Assembly Bill No.13):-**
    - a) Statistics Act (No. 4 of 2006)
    - b) Public Procurement and Asset Disposal Act, 2015, (No. 33 of 2015) as contained in the Statute Law (Miscellaneous Amendments), (No. 2) Bill, 2018
11. Adjournment

### **MIN.NO.NA/F&NP/2018/195: PRELIMINARIES/COMMUNICATION FROM THE CHAIRPERSON**

The meeting was called to order at 10:30 a.m with prayer from the Chairperson.

### **MIN.NO.NA/F&NP/2018/196: CONFIRMATION OF MINUTES**

Agenda deferred

### **MIN.NO.NA/F&NP/2018/197: ADOPTION OF THE REPORT ON THE CONSIDERATION OF THE STATUTE LAW (MISC. AMENDMENTS) BILL, 2018 (NATIONAL ASSEMBLY BILL NO. 12)**

The Committee considered the Report on the Statute Law (Misc. Amendments) Bill, 2018 (National Assembly Bill No. 12). The Committee adopted the amendments as proposed.

**MIN.NO.NA/F&NP/2018/198: CONSIDERATION OF THE STATUTE LAW (MISC. AMENDMENTS) BILL, 2018 (NATIONAL ASSEMBLY BILL NO. 13)**

The Committee went through the Bill clause by clause and proposed the following amendments.

**THAT** the Schedule to the Bill be amended—

(1) in the proposed amendments to the Statistics Act by —

(a) Inserting the following new amendment—

s.5(3) Insert the word “preferably” immediately after the word “degree”;

(b) in the proposed section 6(1) (d) by deleting the words “and ensuring discipline among the staff”;

(c) Inserting the following new amendment—

s.8 (1) Delete and substitute thereof the following new subsection-

The Director-General shall be recruited through a competitive process by the Board and appointed by the President, with the approval of the National Assembly.

(d) by deleting the following proposed amendment to section 8(2) –

“Delete the expression “an advanced degree in a relevant field as specified in section 5(3)” and substitute therefor the expression “a degree in statistics, economics, demography or mathematics”.

(e) in the proposed new section 8A by-

(i) in paragraph (a) by deleting the word “postgraduate”;

(ii) deleting paragraph (c) and substituting thereof the following new paragraph-

(c) is a registered Certified Public Secretary in good standing with the Institute;

Consideration of the Public Procurement and Asset Disposal Act, 2015, (No. 33 of 2015) was deferred to the next sitting.

**MIN.NO.NA/F&NP/2018/199: ANY OTHER BUSINESS**

The Committee noted the need to engage the National Treasury on the Integrated Financial Management System (IFMIS). The Committee cited several failures that the system had encountered.

**MIN.NO.NA/F&NP/2018/200: ADJOURNMENT**

The meeting was adjourned at 1.50 p.m until Tuesday 19<sup>th</sup> June, 2018 at 10.00 a.m.

**HON. JOSEPH K. LIMO, MP**

**(CHAIRPERSON)**

SIGNED .....  ..... DATE 26/6/18 .....

**MINUTES OF THE 38<sup>TH</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD ON TUESDAY, 12<sup>TH</sup> JUNE, 2018 IN THE COMMITTEE ROOM, 5<sup>TH</sup> FLOOR, CONTINETAL HOUSE AT 09.00 AM**

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**PRESENT**

1. Hon. Joseph K. Limo, MP - **Chairperson**
2. Hon. Isaac W. Ndirangu, MP- **Vice Chairperson**
3. Hon. Jimmy O. Angwenyi, MP
4. Hon. Abdul Rahim Dawood, MP
5. Hon. David M. Mboni, MP
6. Hon. Joseph M. Oyula, MP
7. Hon. Joshua C. Kandie, MP
8. Hon. Purity W. Ngirici, MP
9. Hon. Samuel Atandi, MP
10. Hon. Andrew A. Okuome, MP
11. Hon. Stanley M. Muthama, MP

**APOLOGY**

1. Hon. Alfred Sambu, MP
2. Hon. Daniel E. Nanok, MP
3. Hon. Dr. Enoch Kibunguchy, MP
4. Hon. Shakeel Shabbir Ahmed, MP
5. Hon. Lydia H. Mizighi, MP
6. Hon. Mohamed A. Mohamed, MP
7. Hon. Francis K. Kimani, MP

**INATTENDANCE**

**SECRETARIAT**

- |                        |   |                                  |
|------------------------|---|----------------------------------|
| 1. Ms. Leah Mwaura     | - | First Clerk Assistant/Lead Clerk |
| 2. Ms. Jennifer Ndeto  | - | Principal Legal Counsel          |
| 3. Mr. Josephat Motonu | - | Fiscal Analyst I                 |
| 4. Mr. Collins Mahamba | - | Audio Officer                    |
| 5. Mr. John Njoro      | - | Serjeant-At-Arms                 |

**NATIONAL TREASURY**

1. Hon. Nelson Gaichuhie – Chief Administrative Secretary (CAS)
2. Mr. Eric Korir - Director
3. Mr. Elijah Nyamamba – CSMO
4. Mr. Calleb Ogot – Senior Deputy Director
5. Mr. Shem Nyakutu – PS/DOP
6. Mr. Geoffrey A. Kibanda – SAD / Pensions
7. Mr. Lazarus Kesizi – Manager Research & Strategy
8. Ms. Isabella Kogei –Parliamentary Liaison Officer
9. Mr. Barrack O Amollo – Deputy Secretary
10. Mr. Martin S.O Gumo – Senior Deputy Director

## **Agenda**

1. Prayers
2. Preliminaries/Introductions
3. Communication from the Chair
4. Bills
5. Petitions
6. Papers
7. Personal statement (**Members Only**)
8. Confirmation of Minutes
9. Matters Arising
10. **Bills - Statute Law (Misc. Amendments) Bill, 2018 (National Assembly Bill No. 12) and Statute Law (Misc. Amendments) Bill, 2018 ( National Assembly Bill No.13 )**
  - (i) Briefing by the Secretariat
  - (ii) Meeting with the National Treasury to consider the Statute Law (Miscellaneous Amendments) Bill, 2018 seeking to amend:-
    - a) The Kenya Post Office and Savings Bank Act (Cap 493), ;
    - b) The Kenya Revenue Authority Act (No. 2 of 1995) ; and
    - c) The Retirement Benefits (Deputy President and Designated State Officers) Act, 2015 (No. 8 of 2015).
  - (iii) Meeting with the National Treasury and Public Procurement Regulatory Authority (PPRA) on the Amendment to the Public Procurement and Asset Disposal Act, 2015, (No. 33 of 2015) as contained in the Statute Law (Miscellaneous Amendments), (No. 2) Bill, 2018
11. Adjournment

## **MIN.NO.NA/F&NP/2018/186:PRELIMINARIES/COMMUNICATION FROM THE CHAIRPERSON**

The meeting was called to order at 9:30 a.m with prayer from the Chairperson.

Agenda deferred

**MIN.NO.NA/F&NP/2018/188: BRIEFING ON STATUTE LAW (MISC. AMENDMENTS) BILL, 2018 (NATIONAL ASSEMBLY BILL NO. 12) AND STATUTE LAW (MISC. AMENDMENTS) BILL, 2018 (NATIONAL ASSEMBLY BILL NO.13)**

The Committee was briefed as follows regarding the above. **THAT,**

- (i) The Statute Law (Misc. Amendments) Bill, 2018 (National Assembly Bill No. 12) and Statute Law (Misc. Amendments) Bill, 2018 (National Assembly Bill No.13) propose to amend nine (9) Acts of Parliaments within the purview of the Committee on Finance and National Planning. The Acts include the Kenya Post Office Savings Bank Act; the Kenya Revenue Authority Act; the Privatization Act; the Proceeds of Crime and Anti-Money Laundering Act; Retirement Benefits (Deputy President and Other Designated State Officers); the Betting, Gaming and Lotteries Act; the Statistics Act; the Public Private Partnerships Act and the Public Procurement and Asset Disposal Act.
- (ii) The two Bills contain many and substantive amendments which may negate the philosophical principle behind the introduction of the “omnibus” Bill in addition to undermining the institution of the Legislature. The Statute Law (Miscellaneous Amendments) Bill should ideally contain minor and consequential amendments.
- (iii) **The Kenya Post Office Savings Bank Act** - The proposed amendment seeks to change the appointing authority of the arbitrators from the Cabinet Secretary to the, now established, Registrar of the Nairobi Centre for International Arbitration. However, it may be prudent to provide for consultation between the Cabinet Secretary and the Registrar, prior to such appointments.
- (iv) **The Kenya Revenue Authority Act** - The proposed amendments relates to the Board of Directors at the Kenya Revenue Authority. The first amendment proposes that the Commissioner General shall be an ex-officio member of the Board. The second one relates to the introduction of the procedure for appointment of the Commissioner General as being competitive recruitment by the Board and the Cabinet Secretary to appoint upon approval by the National Assembly. Finally, the amendment proposes the qualifications and competencies of the persons to be considered for the position of the Commissioner General. The Committee should reconsider the qualification for appointment for Commissioner General to provide for an advanced degree and also drop some qualifications such as supply chain that may not be so relevant to the position.
- (v) **The Privatization Act** - The proposed amendment seeks to empower the Cabinet Secretary communicate the decision of the Cabinet on privatization and direct the implementation of the same. In addition, the Cabinet Secretary is required to submit a consolidated report on the status of the implementation of each privatization proposal to

the National Assembly within 4 months after the end of a fiscal year. The Committee was requested to consider whether it is necessary for the National Assembly to be involved even much early in the privatization process rather than waiting at the tail end to receive reports on the status of the implementation of the privatization proposals that have hitherto been approved by the Cabinet.

(vi) **The Proceeds of Crime and anti-Money Laundering Act** - The proposed amendment intends to include in the definition of designated non financial businesses/professions: employees of accountants in professional firms; advocates, notaries and other legal practitioners in professional firms as well as trust and company service providers. Subsequently, these persons have been obligated to report to the Asset Recovery Agency, any information required for the performance of its functions, which may come into their possession in the course of their duties. This measure is likely aimed at solidifying the fight against proceeds of crime.

(vii) **The Retirement Benefits (Deputy President and Other Designated State Officers) Act**, - The proposed amendment was seeking to provide additional benefit of *office and office equipment* to the class of state officers (Speaker of the National Assembly, Speaker of the Senate, Deputy Chief Justice and Chief Justice) upon retirement. This additional benefit seems to have financial implication and it may have been prudent to go through the pre-publication scrutiny in view of Article 114 of the Constitution.

(viii) **The Public Procurement and Asset Disposal Act** - The proposed amendments was seeking to:

- a) Introduce a new definition of local contractor.
- b) Open up the membership of procurement professionals from the Kenya Institute of Supplies Management to also cover other supply chain professional bodies.
- c) Have both the National Treasury and the Public Procurement Regulatory Authority to have a shared function of training and capacity development of persons involved in procurement and asset disposal.
- d) Have the function of maintaining the state portal on procurement and asset disposal has been shifted from the Public Procurement Regulatory Authority to the National Treasury.
- e) Amend Section 43 of the Act which provides for Inspection, Assessment and Reviews of contracts, procurement and asset disposal proceedings, that aimed at improving access to information by persons authorized by the Authority and in the event entry to a premise by such authorized persons is curtailed, then a search warrant may be sort.
- f) Amend Section 53 on Procurement and Asset Disposal Planning to introduce new provisions in relation to publishing and publicizing the approved procurement plans as invitation to treat on the procuring entity website as well as the National Treasury's state tender portal. This will facilitate ease access to information and endeavour to promote transparency in procurement.

- g) Amend Section 54 on procurement pricing and requirement in order not to split of contract relates to the application of “arms length” pricing by obtaining information from market surveys in order to inform placing of orders or decision making by the procurement awarding authority. This may go a long way to ensure the procurement process is efficient and effective to safeguard public resources.
- h) Reduce the overall procurement period that have hitherto hindered swift conclusion of the procurement process, thus leading to slow delivery of public goods and services, the timelines have been proposed for change.
- i) The proposed amendment to Section 139(4) which provides for amendments or Variations to Contracts seeks to remove the period in the current requirement that prohibits variation of contract within 12 months from the date of signing the contract, subject to price variation, not more than 15% of goods and services, not more than 20% for works and not more than 25% on overall contract price variation. The timeline of 12 months safeguards the predictability and integrity of the contract such that its removal seems to introduce a potential exception to Section 139(3) on contract price variation.
- j) Section 167 is proposed to be amended to exempt women, youth and persons with disability from payment of a refundable deposit of 10% or more of the contract price when applying for the administrative review of the procurement process. This is intended to protect the vulnerable persons in society who may not be in a position to raise the requisite procurement review fees, as long as the exemption is guarded against any possible abuse or misuse.

**The Committee observed that the Bills contain major amendments and hence in the strict sense of miscellaneous they did not qualify; majority of the amendment have far reaching implications if passed.**

#### **MIN.NO.NA/F&NP/2018/189: MEETING WITH THE NATIONAL TREASURY ON THE PROPOSED MISCELEANOUS AMENDMENTS**

The Chairperson welcomed the officials from the National Treasury thereafter introductions were done.

The National Treasury team was led by the Chief Administrative Secretary, Hon. Nelson Gaichuhie. He conveyed the apologies of the Principal Secretary who could not attend the meeting due to engagements relating to the Budget Speech for 2018. The Chairperson called upon him to make submission relating to the Statute Law (Misc. Amendments) Bill, 2018 (National Assembly Bill No. 12) and the Statute Law (Misc. Amendments) Bill, 2018 (National Assembly Bill No.13).

- (i) In regards to the Kenya Post Office Savings Bank Act (CAP 493), the National Treasury noted that they were not in support of the amendment which was seeking to change the appointing Authority of the arbitrators from Cabinet Secretary to the Registrar Arbitration They proposed that the amendment be dropped. They noted that the appointing authority was the Cabinet Secretary, who consults with the authority before making appointments. They further noted that the amendment did not take into consideration any consultations with the Cabinet Secretary.
- (ii) Kenya Revenue Act- The National Treasury stated that they were not in support of the amendment seeking to amend section 6 (2) (b), section 11(1) and insertion of new sections: provisions relating to the appointment process of the Commissioner General. The overall effect of the amendment was to introduce the role of Parliament in the appointment process. The amendment was also introducing the minimum qualifications of the Commissioner General. The National Treasury requested that the amendment be withdrawn to await a complete overhaul of the KRA Act to align it to the Constitution, 2010.
- (iii) With regards to the proposed amendments to the Privatization Act seeking to amend Section 23(3) of the Principal Act by deleting and substituting therefor the following new subsection-
- (3) Upon approval of the proposal under subsection (2), the Cabinet Secretary shall communicate the same to the Commission and direct the Commission to commence implementation.
- (4) Delete and substitute therefor the following new subsection-
- (4) The Cabinet Secretary shall compile and submit to the National Assembly, not later than four months after the end of each financial year, a consolidated report summarizing the status of implementation of each proposal approved under subsection (2) in that year.

The National Treasury supported the amendment since it was seeking to streamline the privatization process and address the undue delays in the implementation of the programme. The National Treasury further noted that the amendment would provide flexibility and empower the Commission to restructure the proposals as need be. The oversight role of Parliament will be maintained through the annual consolidated report

- (iv) In relation to the Proceeds of Crime and Anti- Money Laundering Act, 2009(No. 9 of 2009), the Bill proposes to include in the definition of designated non financial businesses/professions to include employees of accountants in professional firms, advocates, notaries and other legal practitioners in professional firms as well as trust and company service providers. Subsequently, these persons have been obligated to report to the Asset Recovery Agency, any information required for the performance of its functions, which may come into their possession in the course of their duties.

The National Treasury observed that the Financial Action Task Force (FATF) had identified lawyers, notaries & other independent legal professionals and trust and company service providers as amongst the category of professions that could be abused for money laundering and terrorism financing purposes. The FATF accordingly required that this category of persons be designated as amongst reporting entities to whom AML/CFT obligations apply.

- (v) On the proposed amendments to the Retirement Benefits (Deputy President and Other Designated State Officers) Act, the National Treasury observed that the amendments being proposed required costing to determine the implication before being passed. The National Treasury was therefore not in support of the proposed amendment pending the costing.

**MIN.NO.NA/F&NP/2018/190: MEETING WITH THE NATIONAL TREASURY AND THE PUBLIC PROCUREMENT REGULATORY AUTHORITY**

The Chairperson invited the officials from the National Treasury and Public Procurement Regulatory Authority (PPRA). They made the presentation regarding the amendments to the Public Procurement and Asset Disposal Act, 2015, (No. 33 of 2015) as annexed to the minutes. They also gave justification for each of the proposed amendments.

**MIN.NO.NA/F&NP/2018/191: ADJOURNMENT**

There being no other business to deliberate on, the meeting was adjourned at 1.45pm. The next meeting will be held on 14<sup>th</sup> June, 2018 at 10.00 am.

**HON. JOSEPH K. LIMO, MP**

**(CHAIRPERSON)**

SIGNED .....  ..... DATE 26/6/18 .....



**MINUTES OF THE 37<sup>TH</sup> SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD ON THURSDAY, 7<sup>TH</sup> JUNE, 2018 IN THE NEW MEMBERS' LOUNGE AT 10.00 AM**

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**PRESENT**

1. Hon. Isaac W. Ndirangu, MP- **Vice Chairperson**
2. Hon. Jimmy O. Angwenyi, MP
3. Hon. Daniel E. Nanok, MP
4. Hon. Joseph M. Oyula, MP
5. Hon. Joshua C. Kandie, MP
6. Hon. Lydia H. Mizighi, MP
7. Hon. Mohamed A. Mohamed, MP
8. Hon. Purity W. Ngirici, MP
9. Hon. Samuel Atandi, MP

**APOLOGY**

1. Hon. Joseph K. Limo, MP - **Chairperson**
2. Hon. Alfred Sambu, MP
3. Hon. Dr. Enoch Kibunguchy, MP
4. Hon. Shakeel Shabbir Ahmed, MP
5. Hon. Abdul Rahim Dawood, MP
6. Hon. Andrew A. Okuome, MP
7. Hon. David M. Mboni, MP
8. Hon. Francis K. Kimani, MP
9. Hon. Stanley M. Muthama, MP

**INATTENDANCE**

**SECRETARIAT**

- |                        |   |                                  |
|------------------------|---|----------------------------------|
| 1. Ms. Leah Mwaura     | – | First Clerk Assistant/Lead Clerk |
| 2. Ms. Lauren Wesonga  | – | Third Clerk Assistant            |
| 3. Ms. Lynette Otieno  | – | Legal Counsel                    |
| 4. Mr. Collins Mahamba | – | Audio Officer                    |
| 5. Mr. John Njoro      | – | Serjeant-At-Arms                 |

**Agenda**

1. Prayers
2. Preliminaries/Introductions

3. Communication from the Chair
4. Bills
5. Petitions
6. Papers
7. Personal statement (Members Only)
8. Confirmation of Minutes
9. Matters Arising
10. (i) Meeting with the National Treasury and the Public Procurement Regulatory Authority to consider amendments to the Public Procurement and Asset Disposal Act, 2015 (No. 33 of 2015) as proposed in the Statute Law (Miscellaneous Amendments) (No. 2) Bill of 2018
- (ii) Meeting with the State Department of Planning and the Kenya National Bureau of Statistics to consider amendments to the Statistics Act as proposed in the Statute Law (Miscellaneous Amendments) (No. 2) Bill of 2018.
11. Adjournment

**MIN.NO.188/DC-F/2018:PRELIMINARIES/COMMUNICATION FROM THE CHAIRPERSON**

The meeting was called to order at 10:30 a.m with prayer from Hon. Isaac Ndirangu, MP. He then called for introductions of those present before welcoming the meeting to deliberate on the day's agenda.

**MIN.NO.189/DC-F/2018: CONFIRMATION OF MINUTES**

Agenda deferred

**MIN.NO.190/DC-F/2018: MEETING WITH THE NATIONAL TREASURY AND THE PUBLIC PROCUREMENT REGULATORY AUTHORITY TO CONSIDER AMENDMENTS TO THE PUBLIC PROCUREMENT AND ASSET DISPOSAL ACT, 2015 (NO. 33 OF 2015) AS PROPOSED IN THE STATUTE LAW (MISCELLANEOUS AMENDMENTS) (NO. 2) BILL OF 2018**

The meeting agreed that it was important for the Members to be briefed by the Parliamentary Budget Office on the Bill so as to appraise themselves with its content before inviting the National Treasury and the Public Procurement Regulatory authority. Consequently, the deliberations on the Bill were put on hold to allow Members acquaint themselves with the content of the Bill. The meeting was adjourned until Tuesday 12<sup>th</sup> June, 2018.

**MIN.NO.191/DC-F/2018: MEETING WITH THE STATE DEPARTMENT OF PLANNING AND THE KENYA NATIONAL BUREAU OF STATISTICS TO CONSIDER AMENDMENTS TO THE STATISTICS ACT AS PROPOSED IN THE STATUTE LAW (MISCELLANEOUS AMENDMENTS) (NO. 2) BILL OF 2018.**

The meeting was briefed as follows; that:-

1. The Statute Law (Misc. Amendments) Bill, 2018 (National Assembly Bill No.13) was seeking to amend the Statistics Act due to:-

- (i) The need for the Statistics Act to reflect the operations of the two levels of Government;
- (ii) The need for a strong legal and institutional framework that aims at protecting the principles of professional independence and integrity of statistics in order to promote public trust;
- (iii) The need for maintenance of uniform national and international standards and norms in the production and dissemination of official statistics that are comparable across the counties;
- (iv) The need to maintain authority for professional decisions, at the national level over the scope, content and frequency of data compiled, analysed and published;
- (v) The need for the Act to provide powers to the Bureau to among others, designate statistics as official statistics, given that the Bureau is the custodian of official statistics;
- (vi) The need to ensure that the Bureau adheres to predetermined schedules in the public release of important economic and other sectoral indicator data to prevent manipulation of release dates for political purposes.

2. Taking into account the critical role official statistics plays in the constitutional dispensation, particularly in regard to the planning and budgeting processes, it is important that timely, accurate and reliable statistics are produced for both the national and county governments.

3. The proposed bill is meant to address the following:

- i. Broadening the mandate of KNBS to make it the principal agency of both national and county governments' for collection, compilation, analyses and dissemination of official statistics;
- ii. Application of International standards, methods, concepts, definitions and classifications in the production of official statistics both at national and county levels of government ( UN Fundamental Principles of Official Statistics);
- iii. Gaps existing in the current Act

#### **4. SPECIFICS COMMENTS ON SPECIFIC CLAUSES OF THE PROPOSED AMENDMENT**

##### **A. Long title**

Proposed Amendment to the Section

The Statistics Act herein referred to as the "Principal Act" is amended by inserting in the Long title the word "Official" immediately before the word "statistical".

Provisions of the Section(As it is)

An Act of Parliament to provide for the establishment of the Kenya National Bureau of Statistics for the collection, compilation, analysis, publication and dissemination of statistical information, and the co-ordination of the national statistical system, and for connected purposes

### **B. Proposed Amendment to Section 2**

Section 2 of the Principal Act is amended-

Delete the definition of the word “Minister”.

Delete the definition of the word “national statistical system” and substitute therefor the following new definition-

“National Statistical System” includes producers, suppliers and users of official statistics working under the supervision and co-ordination of the Bureau including counties, ministries, departments and agencies.

Delete in the definition of the expression “population and housing census”, the word “Board” and substitute therefor the word “Bureau”.

Insert the following new definitions in proper alphabetical sequence –

“**Agency**” includes individuals, institutions or groups of persons;

“**Cabinet Secretary**” means the Cabinet Secretary responsible for matters relating to statistics;

“**coordination**” includes technical advice to ensure that standards and methods are met and adherence to the code of practice in statistical production and dissemination;

“**official statistics**” means statistics produced by the Bureau and any other statistics designated as official by the Director-General;

“**Government**” means the national and county governments;

“**professional independence**” means independence of production and dissemination of statistics from interference or influence by any individual, interest group or political authority;

“**sampling frame**” includes a representative list of items that form a population from which a sample is drawn for the purpose of conducting a survey and includes individuals, households or institutions and may be a National Sample Survey and Evaluation Programme, the Business Register or any other frame of the Bureau.

## **Provisions of the Section (As it is)**

In this Act, unless the context otherwise requires—

“authorized officer” means a person appointed as such under section 10;

**“Bureau” means the Kenya National Bureau of Statistics established under section 3; and disseminating statistical data in Kenya and shall be the custodian of statistical information.**

### **Justification:**

To bring in new definition to reflect the current organization of the Government as defined by the 2010 Kenyan Constitution.

### **C. Inserting a new section 3A to 3C.**

Section 3 of the Principal Act is amended by inserting the following new sections-

**3A.** The Bureau may request for legal advice or representation from the Office of the Attorney General.

**3B.** The Bureau shall have professional independence and shall observe the fundamental principles relating to statistics as set out in the Schedule.

**3C.** The Bureau shall have its headquarters in Nairobi but may establish field offices at any place within the country”.

**Justification:** The amendment in 3 A seeks to ensure the Bureau is not exposed to unnecessary litigation. The amendment in 3B is also meant to ensure the Bureau has professional independence in carrying out its mandate. In 3B, the amendment seeks ensure certainty of Bureau offices in Nairobi and Counties.

### **D. The Principal Act is amended in Section 4-**

(b) In subsection (2)-

(i) In paragraph (b) by deleting the word “promoting” and substituting therefor with the word “ensuring”.

(ii) By inserting the following new paragraphs

“(f) developing and maintaining Bureau sampling frames.

(g) to collaborate and assist the county governments and any other institutions in production of Official Statistics”.

### **Provisions in the Principal Act**

(1) The Bureau shall be the principal agency of the Government for collecting, analysing and disseminating statistical data in Kenya and shall be the custodian of official statistical information.

(2) Without prejudice to the generality of subsection (1), the Bureau shall be responsible for—

(a) planning, authorizing, co-ordinating and supervising all official statistical programmes undertaken within the national statistical system;

(b) establishing standards and promoting the use of best practices and methods in the production and dissemination of statistical information across the national statistical system;

(c) collecting, compiling, analyzing, abstracting and disseminating statistical information on the matters specified in the First Schedule;

(d) conducting the Population and Housing Census every ten years, and such other censuses and surveys as the Board may determine; and

(e) maintaining a comprehensive and reliable national socio-economic database.

### **Justification:**

To ensure the mandate of the bureau is expanded to cover giving of service to county governments

### **E. The Principal Act is amended in section 5-**

(aa) In Subsection (1)

Paragraph (b) and (c) by deleting the word “Permanent” and substituting therefor with the word “Principal” wherever it appears in the subsection.

In paragraph (d) by deleting the word “Minister” and substituting therefor with the word “Cabinet Secretary” immediately before the words “to represent”.

in subparagraph (v) by deleting the word “Coordinating Agency” and substituting with the word “Council”

(bb) by inserting the following new subparagraphs

(vi) one person nominated by the Council of Governors” and

(cc) by deleting the word “five” and substituting therefor with the word “six” immediately before the word “other”.

(dd) In Subsection (3) by inserting the following words “meets the requirements of Chapter Six of the Constitution and” immediately before the word “has”.

(ee) In Subsection (3) by inserting the following words

### **Provisions in the Principal Act**

5. (1) The management of the Bureau shall vest in a Board of Directors which shall consist of—

(a) a chairman appointed by President;

(b) the Permanent Secretary in the Ministry for the time being responsible for statistics;

(c) the Permanent Secretary Ministry responsible for finance; and

(d) five other members appointed by the Minister to represent the bodies for the time being recognized by the Government as representing—

(i) the private sector;

(ii) the non-Governmental Organizations;

(iii) research institutions;

(iv) the public universities; and

(v) the National Co-ordinating Agency for Population and Development.

(2) Every appointment to the Board under section 6(1) shall be by name and by notice in the Gazette and shall be for a renewable period of three years.

(3) A person shall be qualified to be appointed under this subsection (1)(d) if such person has a university degree in—

(a) statistics;

(b) information technology;

(c) economics;

(d) social sciences, or

(e) mathematics;

In addition to knowledge and experience in the matters to which the functions of the Board relate.

### **Justification:**

To align the act with the Kenyan Constitution 2010 and incorporate new Board Members so as to ensure all stakeholders are represented in the Board

### **F. The Principal Act is amended in Section 6-**

(a) In subsection (1) By deleting paragraph (d) and substituting therefor the following new paragraph

“(d) Promote professionalism by facilitating professional training and instilling discipline among the staff”.

(b) In subsection (1) paragraph (f) by deleting the word “Minister” and substituting therefor with the word “Cabinet Secretary”

### **Provisions in the Principal Act**

6(1) The functions of the Board shall be to:

(d) promote professionalism and discipline among the staff of the Bureau by facilitating professional training;

(f) submit to the Minister a quarterly report on the activities of the Bureau.

### **Justification:**

The amendment seeks to separate the role of the Board from that of Management so as to ensure to ensure the Board handles only policy issues. The amendment also seeks to align the Statistics Act with the Constitution of Kenya 2010.

### **G. The Principal Act is amended in Section 8-**

(a) In Subsection (2)

(i) by inserting the words “ and meets the requirements of Chapter Six of the Constitution” immediately after the word “such person”

(ii) by deleting the expression “as specified in section 5 (3)”

(iii) by deleting the words “in a relevant field” and substituting therefor with the following words “Statistics, Economics, Demography or Mathematics” immediately before the word “degree”.

(b) In Subsection (4) paragraph (a) by inserting the following new subparagraphs immediately after the word “Bureau” “and specifically the following:-

(i) formulate quality criteria and establish standards, classifications and procedures for production and dissemination of statistics;

(ii) provide technical advice on statistics to other organs of state;

(iii) promote coordination among producers, users and suppliers of official statistics by forming appropriate sector committees;

(iv) designate statistics produced by national statistical system as Official Statistics on being satisfied that the necessary criteria have been followed”.

8(2) A person shall not be qualified for appointment as the Director- General unless such person has an advanced degree in a relevant field as specified in section 5(3) and at least ten years experience in the management of public or private institutions.

(4) In the exercise of his functions under this Act, the Director- General shall, subject to the direction of the Board—

(a) be responsible for the day-to-day management of the Bureau;

### **Provisions in the Principal Act**

8(2) A person shall not be qualified for appointment as the Director- General unless such person has an advanced degree in a relevant field as specified in section 5(3) and at least ten years experience in the management of public or private institutions.

(4) In the exercise of his functions under this Act, the Director- General shall, subject to the direction of the Board—

(a) be responsible for the day-to-day management of the Bureau;

**Justification:**

The amendment seeks to align the Principal Act with the Constitution of Kenya 2010 and to empower the Director General coordinate or data produced in the National Statistical System.

**H. Create a new section- Corporation Secretary**

8A. (1) There shall be a Corporation Secretary of the Bureau who shall, subject to this section, be appointed by the Board, on such terms and conditions of service as the Board may determine.

(2) A person shall not be appointed as Corporation Secretary unless such person —

- (a) holds a postgraduate degree in law from a recognized university;
- (b) is an advocate of the High Court of not less than eight years standing;
- (c) holds a certified public secretaries' qualification from a recognized institution; and
- (d) meets the requirements of chapter Six of the Constitution.

(3) The Corporation Secretary shall, subject to the direction of the Board be responsible for —

- (a) coordinating and circulating the preparation of Board papers to members of the Board;
- (b) taking minutes in meetings of the Board and ensuring the implementation of resolutions of the Board;
- (c) ensuring safe custody of the minutes, decisions and documents of the Board;
- (d) ensuring the safe custody of the seal of the Bureau;
- (e) drafting legal documents on behalf of the Bureau;
- (f) defending and representing the bureau by attending court proceedings on behalf of the Bureau;
- (g) advising the Board on any legal matters; and
- (h) any other matter that the Board may direct.

**Justification:** The amendment seeks to align the Principal Act with the Mwongozo Guideline in order to provide for the Office of Corporation Secretary.

## **I. The Principal Act is amended in Section 13**

- (a) By deleting the word “Minister” and substituting therefor with the word “Cabinet Secretary”.
- (b) By inserting the word “National” immediately before the word “Treasury”.

### **Provisions in the Principal Act**

The Board shall, not less than four months before the commencement of any financial year, prepare and submit to the Minister for approval in concurrence with the Treasury, estimates of the Bureau’s revenue and expenditure for that financial year, and once such approval has been given no expenditure shall be made for which provision has not been made in such estimates.

**Justification:** The amendment seeks to align the Principal Act with the Constitution of Kenya 2010.

## **J. Amendment in Section 17**

The Principal Act is amended in Section 17 by deleting the word “Minister” and substituting therefor with the word “Cabinet Secretary”.

### **Provisions in the Principal Act**

The Minister may, on the advice of the Board, by order published in the Gazette direct that a Population and Housing Census be taken for Kenya or for any part thereof or in respect of any class of inhabitants thereof, and any such directions may specify.

**Justification:** The amendment seeks to align the Principal Act with the Constitution of Kenya 2010.

## **K. Amendment in Section 18(1)**

The Principal Act is amended in Section 18(1) by deleting the word “local level” and substituting therefor with the words “County level using the Bureau frame and infrastructure” immediately before the word “shall”.

### **Provisions in the Principal Act**

18(1) Any agency other than the Bureau, wishing to conduct a census or survey at national, or local level shall seek the approval of the Board.

**Justification:** The amendment seeks to align the Principal Act with the Constitution of Kenya 2010.

#### **L. Amendment in Section 19(3)**

The Principal Act is amended in Section 19(3) by inserting the words “or by electronic means” immediately after the word “address”.

#### **Provisions in the Principal Act –**

19 (3) An authorized officer may require any person or establishment to supply him with particulars either by interviewing the person or by leaving at or posting to his last known address a form having thereon a notice requiring the form to be completed and returned in such manner and within such time as shall be specified in the notice.

**Justification:** To take into account the changes in technology

#### **M. The Principal Act is amended in Section 20**

- (a) by inserting the words “or entity or households” immediately after the word “establishment”
- (b) by deleting the word “public” immediately before the word “record”
- (c) by deleting the words “ of any local authority” immediately before the word “from”

#### **Provisions in the Principal Act –**

Any person or establishment having the custody of, or being in charge of, any public records or documents of any local authority from which information sought in furtherance of the purposes of this Act can, in the opinion of the Director-General, be obtained, or which would aid in the completion or correction of information already obtained, shall grant the Director-General access to such records or documents for the purposes of obtaining therefrom the required information.

**Justification:** To empower the Bureau to collect data from all households, public bodies, counties and establishments.

#### **N. New section inserted**

The Principal Act is amended in Section 23 by inserting the following new subsection

“(3) The Director- General may, with the approval of the Board, cause any official statistical data collected, analyzed and disseminated by the Bureau to be cancelled, revised or adjusted after ascertaining that they are not accurate”.

**Justification:** To empower the Bureau recall and cancel any inaccurate data released to the public.

#### **O. The Principal Act is amended in Section 24-**

- (a) In subsection (1) by deleting the word “one” and substituting therefor with the word “five” immediately before the word “hundred”

(b) In subsection (2) by deleting the word “one” and substituting therefor with the word “five” immediately before the word “hundred”.

**Provisions in the Principal Act –**

24 (1) Any person who hinders or obstructs the Director-General or any authorized officer in the execution of any powers conferred under this Act, commits an offence and shall be liable on conviction to a fine not exceeding one hundred thousand shillings, or to imprisonment for a term not exceeding twelve months, or to both

(2) Any person who willfully fails to give any information or particular as required under this Act commits an offence and shall be liable on conviction to a fine not exceeding one hundred thousand shillings or to imprisonment for a term not exceeding six months, or to both.

**Justification:** To increase the penalties taking into account the changing economic situation.

**P. Inserting new section**

The Principal Act is amended in Section 26 by renumbering the paragraphs accordingly and-

(a) by inserting the following new paragraphs immediately after paragraph (g)

“(h) Redistributes or sells Bureau materials without written authority from the Director-General.

(i) Uses Bureau data for investigation of specific individuals or organizations or any other purpose other than statistical purposes

(j) Create links among datasets provided by the Bureau, or among data from the Bureau and other datasets for personal gain without consent of the Bureau,

**Justification:**

To create new offences to reflect changing times.

**Q. Amendment in Section 27**

The Principal Act is amended in Section 27 by inserting the word “of” immediately after the word “provision”

**Provisions in the Principal Act –**

27 (2) The provisions subsection (1) shall not relieve the Bureau of the liability to pay compensation or damages to any person for the injury to him or damage to his property or any of his interests caused by the exercise of any powers conferred by this Act or any other written law, or any failure, whether wholly or partially of any works.

**R. Amendment in Section 29**

The Principal Act is amended in Section 29 by deleting the word “Minister” and substituting therefor with the word “Cabinet Secretary”

## Provisions in the Principal Act –

The Board may with the approval of the Minister make regulations for the better carrying into effect of the provisions of this Act, and in particular, but without prejudice to the generality of the foregoing, may:

**Justification:** To align the Act with the Constitution of Kenya 2010.

### S. Amend First Schedule

The First Schedule to the Principal Act is amended by deleting and substituting therefor with the following new Schedule.

MATTERS CONCERNING WHICH STATISTICAL INFORMATION MAY BE COLLECTED, COMPILED, ANALYSED, ABSTRACTED AND PUBLISHED

S/No.		National Government	National and County Governments
1.	Population	KNBS	
2.	Births & Deaths		Both
3.	Immigration & Emigration	KNBS	
4.	Hotels and Tourism		Both
5.	Housing		Both
6.	Real Property		Both
7.	Land, topography & climate		Both
8.	Finance and Insurance	KNBS	
9.	International Trade, and Balance of Payments	KNBS	
10.	Capital Investment	KNBS	
11.	Savings	KNBS	
12.	Expenditure and Consumption	KNBS	
13.	Wholesale and retail trade, repair of motor vehicles and motorcycles	KNBS	
14.	Manufacturing	KNBS	
15.	Construction		Both
16.	Mining and quarrying		Both
17.	Agriculture		Both
18.	Forestry and Logging		Both
19.	Fishing		Both
20.	Producer, wholesale and retail prices of commodities	KNBS	
21.	Employment, earnings and unemployment		Both

22.	Labour		Both
23.	Energy		Both
24.	Water and sanitation		Both
25.	Transport and Storage		Both
27.	County Government		Both
28.	Community, business and personal services		Both
29.	Arts, entertainment and recreation		Both
30.	Cooperatives		Both
31.	Environment and natural resources		Both
32.	Informal sector		Both
33.	Health		Both
34.	Nutrition		Both
35.	Information and communication		Both
36.	Education and literacy		Both
37.	Governance		Both
38.	Peace and security		Both
39.	Affirmative action		Both
40.	Innovation, science and technology	KNBS	
41.	Research and development	KNBS	
42.	Human Development Indices	KNBS	
43.	Poverty		Both
44.	Gender		Both
45.	Food security		Both
46.	Vital and other social statistics		Both
47.	Any other matter related to the above		Both

**Justification:** To provide for statistics that can be produced by both the National and County Governments.

#### **T. Inset new Schedule 3C - Fundamental Principles of Official Statistics**

**Principle 1.** Official statistics provide an indispensable element in the information system of a democratic society, serving the Government, the economy and the public with data about the economic, demographic, social and environmental situation. To this end, official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by Kenya National Bureau of Statistics to honour citizens' entitlement to public information

**Principle 2.** To retain trust in official statistics, the Kenya National Bureau of Statistics will apply strictly the professional considerations, including scientific principles and professional

ethics, on the methods and procedures for the collection, processing, storage and presentation of statistical data.

**Principle 3.** To facilitate a correct interpretation of the data, Kenya National Bureau of Statistics will present information according to scientific standards on the sources, methods and procedures of the statistics.

**Principle 4.** The Kenya National Bureau of Statistics is entitled to comment on erroneous interpretation and misuse of statistics.

**Principle 5.** Data for statistical purposes may be drawn from all types of sources, be they statistical surveys or administrative records. Kenya National Bureau of Statistics will choose the source with regard to quality, timeliness, costs and the burden on respondents.

**Principle 6.** Individual data collected by Kenya National Bureau of Statistics for statistical compilation, whether they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes.

**Principle 7.** Kenya National Bureau of Statistics will Cooperate with other National statistical agencies within their countries to achieve consistency and efficiency in the National Statistical System.

**Principle 8.** The Kenya National Bureau of Statistics will apply the international concepts, classifications and methods to promote the consistency and efficiency of the National Statistical System at all official levels.

**Justification:** To provide the guiding principles under which the Bureau operates to further improve confidentiality, efficiency as well as professionalism.

#### **MIN.NO.192/DC-F/2018: ANY OTHER BUSINESS**

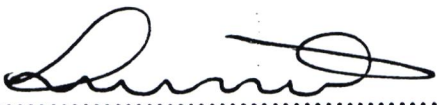
1. The Kenya National Bureau of Statistics informed the meeting that they were in the process of organizing a retreat to appraise the Committee on the National Household and Population Census scheduled for August 2019.
2. The Committee Clerk informed Members that a mileage claim memo will be written to the Clerk of the National Assembly so that he can authorize payment of mileage for the Committee retreat undertaken in Bogoria.

**MIN.NO.191/DC-F/2018: ADJOURNMENT**

There being no other business to deliberate on, the meeting was adjourned at 1.45pm. The next meeting will be held on 11<sup>th</sup> June, 2018 at 2.30pm.

**HON. JOSEPH K. LIMO, MP**

**(CHAIRPERSON)**

SIGNED .....  ..... DATE 26/6/18 .....