Marsabit Water and Sewerage Company Limited (MARWASCO)

Procurement Policy and Procedures Manual

Maximizing value for money through our procurements

October 2025

Preface

In pursuit of operational excellence, transparency, and accountability, this Procurement Policy and Procedures Manual has been developed to guide and standardize all procurement activities within our water and sewerage company. The procurement function is a cornerstone of service delivery, financial stewardship, and public trust—especially in a sector as vital as water and sanitation.

This Manual serves as a practical and regulatory-aligned reference point for employees involved in sourcing goods, works, and services. It reflects our commitment to adhering to the Public Procurement and Asset Disposal Act, 2015, the Public Procurement and Asset Disposal Regulations, 2020, and other relevant statutory instruments and internal governance frameworks. The provisions of the Act as amended from time to time supersede all policies herein.

The policy emphasizes principles of value for money, fairness, competition, integrity, and efficiency, ensuring that every procurement decision supports sustainable service delivery and organizational growth. It integrates clear procedures, standard documentation templates, decision-making workflows, and controls that safeguard against mismanagement and promote continuous improvement.

All staff are expected to familiarize themselves with this Manual and uphold its provisions in both letter and spirit. Management remains committed to ongoing training and review to ensure the relevance and effectiveness of these procurement practices in a dynamic operational environment.

This Manual is not just a compliance tool—it is a foundation for excellence in resource utilization and a reflection of our pledge to serve our stakeholders with transparency, reliability, and professionalism.

I therefore urge all employees within the supply chain process and wider MARWASCO family to comply fully with this policy.

Stephen Sora Katello

Managing Director

MARWASCO

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Acronyms/List of Abbreviations

AGPO	Access to Government Procurement Opportunities
AO	Accounting Officer
CIC	Contract Implementation Committee
DC	Disposal Committee
DN	Delivery Note
EC	Evaluation Committee
EPRA	Energy and Petroleum Regulatory Authority
ERP	Enterprise Resource Planning
ETC	Evaluation of Tender Committee
FIFO	First In, First Out
GRN	Goods Receipt Note
HF	Head of Finance
HTS	Head of Technical Services
IAC	Inspection and Acceptance Committee
ICT	Information, Communication and Technology
IFB	Invitation for Bids
KEBS	Kenya Bureau of Standards
KRA	Kenya Revenue Authority
LPO	Local Purchase Order
LSO	Local Service Order
MARWASCO	Marsabit Water and Sewerage Company Ltd
MD	Managing Director
NCA	National Construction Authority
NCPWD	National Council for Persons with Disabilities
NEMA	National Environmental Management Authority
PIC	Project Implementation Committee
PIN	Personal Identification Number
PO	Procurement Officer
PPADA	Public Procurement and Asset Disposal Act
PPRA	Public Procurement and Regulation Authority
PWD	Persons with Disabilities
RFP	Request for Proposal
RFQ	Request for Quotation
SMRN	Supplier Material Returned Note
SRF	Stores Requisition Form
SRN	Stores Return Note
TOC	Tender Opening Committee
VAT	Value Added Tax
WASREB	Water Services Regulatory Board

Policy Statement

MARWASCO is committed to ensuring that all procurement and asset disposal activities are conducted in a transparent, equitable, accountable, and cost-effective manner, in compliance with the provisions of the Public Procurement and Asset Disposal Act 2015, and all other relevant regulatory frameworks.

Procurement shall support MARWASCO's mission to deliver safe, reliable, and sustainable water and sanitation services by obtaining goods, works, and services that offer the best value for money. All processes will be guided by the principles of fairness, competitiveness, integrity, and environmental sustainability.

This policy affirms our dedication to:

- Promoting open and fair competition among suppliers and contractors.
- Encouraging participation of marginalized and disadvantaged groups.
- Preventing fraud, corruption, conflicts of interest, and unethical practices.
- Supporting local industry and innovation where applicable.
- Ensuring proper planning, documentation, and accountability at every procurement stage.

All staff involved in procurement are expected to uphold this policy with the highest standards of professionalism, ethics, and legal compliance. This policy shall be reviewed regularly to reflect emerging best practices, changes in the legal framework, and evolving service delivery needs.

Effective Date

This policy is approved by the MARWASCO's Board of Directors for implementation effective 1st October 2025.

On behalf of the Board

Joseph G Halake	Stephen Sora
	
Chairperson	Managing Director
MARWASCO	MARWASCO

1. Introduction

This manual provides a structured framework for procurement and asset disposal at MARWASCO, ensuring compliance with Article 227 of the Constitution and the PPADA, 2015. It promotes transparency, accountability, and value for money in all procurement activities.

1.1. Objectives of the Procurement Policy

The policy aims at achieving specific objectives that strengthens supplier relationships by cultivating fair, competitive, and performance-based engagements with vendors to drive continuous improvement and innovation while facilitating effective procurement risks management. These include:

1. Aligning all procurement activities with relevant laws, including Kenya's Public Procurement and Asset Disposal Act, 2015, and other regulatory frameworks.
2. Securing the best possible quality of goods, works, and services at competitive prices, factoring in life-cycle costs and long-term operational benefits.
3. Maintaining clear, open, and well-documented processes that minimize opportunities for fraud, corruption, and mismanagement.
4. Encouraging procurement choices that reduce environmental harm, favor green technologies, and promote sustainable development.
5. Creating opportunities for youth, women, persons with disabilities, and marginalized groups in line with national affirmative action goals.
6. Improving internal controls and planning to ensure timely delivery of goods and services, prevent supply disruptions, and enable effective service delivery.

1.2. Importance of Procurement Function at MARWASCO

Procurement function at MARWASCO is both an administrative, strategic and mission critical function. It ensures service delivery is continuous by securing required goods and services in a timely manner, ensuring they are of the right quality and are delivered to remote sites or time sensitive projects. The procurement function also improves costs effectiveness of the operations by preventing inflated costs, leveraging economies of scale, and tracking spending by department or project. This function is also key in promoting s Legal and Regulatory Compliance; supporting emergency responses and enhances public trust and institutional credibility.

1.3. Role of Procurement Function

The key roles of the procurement function at MARWASCO will be:

i. Prepare the annual procurement plan for the company in coordination with all departments.
ii. Oversee the Tendering and registration of Suppliers including creating and managing supplier database.
iii. Enforce procurement policy by ensuring procurement of goods, works and services are competitively sourced.

iv. Management of MARWASCO warehouses including receiving and issuance of goods to and from the stores to respective users.
v. Maintain optimum stock levels and ensure accurate and complete documentation is available for inspection and audits.
vi. Preserve and safeguard stores.
vii. Co-ordinate through Disposal Committee to dispose of idle assets of the company as per the procurement policy and PPADA 2015.
viii. Formation of ad hoc Inspection and acceptance committees for various goods and services to be appointed by the accounting officer
ix. Organize quarterly and annual stock taking exercises guided by the stock taking checklist (Annex A7).

2. Legal & Regulatory Framework

Procurement at MARWASCO shall be governed by:

The Constitution of Kenya, 2010 – Article 227

PPADA, 2015 – Governs all public procurement and asset disposal.

Public Procurement and Disposal Regulations, 2020 – Operationalizes the Act

e-GP Circular (2025) – Mandates use of the National e-Procurement System

PPRA Guidelines – Including standard tender documents and circulars.

3. Procurement Principles

As per Section 3 of the PPADA:

- Fairness, equity, transparency, competitiveness, and cost-effectiveness
- Integrity and ethical conduct in all procurement processes
- Promotion of local industry and sustainable development
- Affirmative action for disadvantaged groups (AGPO)

4. Institutional Procurement Structure

Defined under Part V of the PPADA:

Accounting Officer (Sec. 44): Overall responsibility for compliance

Procurement Unit (Sec. 47): Manages procurement processes.

User Departments: Initiate procurement needs.

Evaluation Committee (Sec. 46): Evaluates tenders.

Inspection & Acceptance Committee (Sec. 48): Verifies deliveries.

Contract Implementation Committee: Oversees execution and performance.

5. Procurement Planning

5.1. Introduction

Procurement planning is a strategic function that ensures efficient acquisition of goods, work, and services while aligning procurement activities with the company's operational needs, financial capacity, and regulatory requirements. For MARWASCO, procurement planning must be structured to support sustainable water and sewerage service delivery, optimize costs, and comply with the Public Procurement and Asset Disposal Act (PPADA), 2015, and related regulations.

As per Section 53 of PPADA, the organization shall prepare an annual Procurement Plan which will be approved by the board of directors before the start of the financial year. This plan must be linked to the budget and uploaded to the e-GP system and will be informed by relevant market surveys and needs assessments.

5.2. Objectives of procurement planning

The procurement planning process aims to:

i. Ensure timely availability of goods, works, and services.
ii. Enhance budgetary control and prevent unnecessary spending.
iii. Foster transparency and accountability in procurement decisions.
iv. Achieve value for money through competitive sourcing.
v. Promote compliance with legal and regulatory frameworks, including WASREB procurement guidelines.
vi. Support sustainability, including environmental and social impact considerations.

5.3. Procurement Planning Process

5.3.1 Procurement planning shall form part of annual work planning for MARWASCO.

5.3.2 Each department/unit will prepare its projected annual procurement needs for services, goods and works at the beginning of each financial Year.

5.3.2 The procurement department will consolidate this into MARWASCO procurement plan (Annex A8) for approval by the board of directors along with annual work plans and budgets.

5.3.3 The approved procurement plan, which is the aggregate of all procurement needs of the company for the year, shall be the basis of company procurement for the year.

5.3.4 Only Procurement of emergency goods, services and works not contemplated during the planning period shall be undertaken outside the approved procurement plan. This will need to be justified and presented to the board during one of its regular meetings to seek approval.

5.3.5 The approved procurement plan may be forwarded to the Public Procurement Regulatory Authority (PPRA) and National Treasury within 60 days of the start of Financial Year.

The procurement planning cycle involves several key steps to ensure effective acquisition and resource utilization:

5.3.1. Needs Assessment

a. Each year the departments will identify procurement requirements based on operational priorities and in line with the strategic plan goals and objectives.
b. A demand analysis is conducted, assessing service delivery gaps and operational constraints.
c. Requests are consolidated to avoid fragmentation and encourage economies of scale.

5.3.2. Budget Integration

Procurement plans must align with approved financial allocations under MARWASCO's annual budget.

Cost estimates should be developed in consultation with Finance and Technical teams.

Planned procurements should correspond with projected cash flows and funding sources.

5.3.3. Market analysis and supplier engagement

Market intelligence is gathered to assess vendor capabilities, pricing trends, and emerging industry standards.

Prequalification exercises may be conducted for strategic categories such as treatment chemicals, meters, and pipe fittings.

Supplier engagement focuses on fostering competition, improving service quality, and mitigating procurement risks.

5.3.4. Development of Annual Procurement Plan

Procurement requirements are compiled into a **comprehensive procurement plan**, detailing timelines, amount, procurement methods, and responsible departments.

The plan is reviewed to ensure regulatory compliance, optimize efficiency, and minimize procurement lead times.

The finalized plan is approved by the **Accounting Officer** and submitted to the Management Director, for approval and board of directors for authorization.

This process should be compliant with the Public Procurement Regulatory Authority (PPRA) guidelines and procedures.

5.3.5. Procurement Methods and Thresholds

Procurement planning informs the selection of appropriate procurement methods, ensuring compliance with statutory thresholds:

5.3.6. Performance Monitoring and

Procurement planning is a dynamic process that requires continuous evaluation to enhance efficiency and mitigate risks.

Quarterly procurement reports are reviewed to assess plan implementation.

Deviation and emerging procurement needs are addressed through supplementary procurement plans.

Feedback mechanisms, including supplier performance reviews, inform procurement adjustments.

6. Procurement Methods and Thresholds

6.1. Introduction

Selection of the appropriate procurement method is crucial for optimizing efficiency, ensuring cost-effectiveness, and promoting transparency.

MARWASCO shall maintain strict regulatory compliance while adopting modern procurement tools such as e-GP for enhanced accountability.

Therefore, the selection of procurement methods will be guided by statutory provisions to ensure efficiency, transparency, and value for money in acquiring goods, works, and services.

MARWASCO shall adhere to the legal framework governing procurement, including the PPADA, 2015, and sector-specific guidelines from the Water Services Regulatory Board (WASREB).

The various procurement methods and thresholds are outlined in Sections 91–105 of PPADA 2015 as follows:

a. Open Tendering (Sec. 96): Default method
b. Restricted Tendering (Sec. 102): Used under specific conditions.
c. Direct Procurement (Sec. 103): Only when justified.
d. Request for Quotations (RFQ) (Sec. 105): For low-value procurements
e. Request for Proposals (RFP): For consultancy services
f. Design Competitions & Two-Stage Tendering: For complex procurements.

These methods are presented in detail below:

6.2. Criteria for the registration of Suppliers

Suppliers will be registered upon fulfilling the following mandatory requirements for supplier Registration (PPADA, 2015) and 2020 Regulations (69 – 70).

1. Certificate of Registration or Incorporation – as a valid proof of legal existence (BN/CR12).
2. Valid Tax Compliance Certificate - Issued by KRA and up to date.
3. PIN and VAT Registration - For tax identification and compliance.
4. Business Permit/Trade License – from the relevant County Government
5. AGPO Certificate (if applying under Youth, Women, or PWD category) – Issued by the National Treasury

6. Company Profile - Detailing goods/services offered, experience, and key personnel.
7. Past Performance Evidence – with at least 2–3 reference letters or LPOs/contracts from previous clients.
8. Litigation History (if applicable)
9. Banking Details
10. Declaration Forms – on conflict of interest & Anti-Corruption declarations (Sec. 66 PPADA)
11. Special Licenses (if required e.g., NCA for work, EPRA for electrical)

6.3. Disqualification of suppliers

Registered firms will be subjected to a systematic performance evaluation during the financial year, including timely delivery of goods and services; compliance with contract obligations (correct goods and quantities); Number of goods returned due to defects, wrong brand, non-conformance to specifications or incomplete deliveries among others; promptness in response to request for quotation; number of Local Purchase Orders, Local Service Orders not honored; capacity for technical support and after-sales service; non-compliance and honoring warranty or guarantee. The evaluation report will be forwarded to the head of procurement for a professional opinion and will form basis for the disqualification of non-performing service providers according to the categories outlined in section 2.6.1.1 – 4 of this policy.

The company may disqualify a supplier based on the following:

a. Failure by supplier or service provider to meet their current or past contractual obligations fully and satisfactorily. This supplier may face debarment as per PPRA Regulation No. 22 Public Procurement and Asset Disposal Regulation 2020.
b. Suppliers are related to staff or company director (s) and have not disclosed this fact as part of conflict-of-interest declaration (in compliance with PPADA 2015).
c. Misrepresentation of facts about the supplier or service provider for prequalification or to win tender.
d. A firm or individual contractor has supplied substandard goods or services.

6.4. Performance Appraisal of Registered Firms / Individuals

Registered firms and individual services providers will be appraised periodically during the financial year to determine their suitability to continue as goods, work and service providers. The criteria to be used are as follows:

a) Promptness in response to RFQs
b) Timely delivery of goods and services
c) Compliance with specifications for goods and services
d) Number of goods returned due to defects, wrong brand, and partial delivery.
e) Number of LSO/LPOs not honored. The threshold shall be 1% of the contracts awarded.
f) Availability of technical support and after sale services

g) Non-compliance and honoring warrantee guarantee

The evaluation report will be forwarded to the Procurement Manager for professional opinion and action, in line with the findings and relevant sections of the Procurement Policy.

6.5. Procurement Methods

6.5.1. Open Tendering

i. This procurement method shall be applied for high-value procurements to maximize competition. Threshold required to use this method is unit cost of amount above KES 3 million for goods and works and 5 million for services, respectively.
ii. The process to be adopted will be publicly advertised tenders with bid evaluation conducted as per PPADA guidelines.
iii. This is to ensure fairness, competition, and best value and meet Regulatory Compliance as mandated for high-value contracts per PPADA, 2015.
iv. This will involve advertising the tender in one newspaper of nationwide circulation and through the company's website.
v. The tender notice must give sufficient details on the advertised tender. The notice for national tender shall have minimum validity period of fourteen (14) days from the date it appears in the newspaper or website.
vi. For an open tender, contract between the successful Tenderer and the Company shall be entered at least fourteen (14) days after notification of award and acceptance of the same, but not later than 30 days from the date of notification of award.
vii. For purpose of processing tender documents, procurement department will provide a tender box at MARWASCO Head Office, in an accessible area and shall be fitted with two different locks and keys to be held by two officers.
viii. For tenders eligible for electronic submission, the ICT department in coordination with procurement department will establish an email address for this purpose and whose access will only be by the Tender Opening Committee (TOC) after the lapse of the deadline of the tender submission period.
ix. The Head of Procurement shall constitute a tender opening committee with guidance from MD. At least three members of TOC shall always open the tender box within 3 days following the expiry date for submission of bids.
x. All the Tender Opening Committee (TOC) members shall sign on all the priced pages of the bidding documents and cancel non-priced pages. The TOC will maintain a signed record summarizing the list of all tenderers, date of opening the tender, contacts of the tenderers and price quoted by each.

6.5.2. Request for Quotation (RFQs)

Request for Quotation method shall be used for procuring standard goods and services within set limits, with a threshold of below KES 1 million for routine or readily available items.

a. The process to be used is that MARWASCO shall invite potential suppliers / service providers to submit quotations using RFQ/tender template (Annex A3) and the lowest priced and technically compliant bid selected.
b. The RFQ shall include evaluation criteria proving financial and technical capacity to deliver and commitment for timely delivery.
c. For compliance purposes, a minimum of 3 quotes must be received for evaluation and award.
d. For purpose of processing quotations documents, procurement department will provide a tender box at MARWASCO Head Office, in an accessible area and shall be fitted with two different locks and keys to be held by two officers.
e. An evaluation committee constituted by the Procurement Manager will open the bids. The committee will sit at least once per month and shall sign all priced pages of the bid documents.
f. If the successful bidder's quoted price is higher than approved budget, three actions may be taken based on the urgency of the procurement:
    i. Formally ask the bidder if the quoted price can be negotiated downwards to the available budget.
    ii. MARWASCO can seek new quotations from other potential bidders to ensure alignment with the available budget.
    iii. Failure to get lower bids, MARWASCO may seek management intervention to solicit funds and adjust the budget to the market realities and continue with the first successful bidder.
g. The key advantage to the company using this procurement method is the process is time-efficient and cost-effective for low-value procurements.
h. RFQ is in line with the provisions of PPADA, 2015, for low-value acquisitions, hence meets the necessary regulatory compliance.

6.5.3. Restricted Tendering

This procurement method will be used where specialized expertise is required, or the market is limited to pre-qualified contractors due to complexity or specialized nature of goods, works or services.

The method can also be used if in the opinion of MARWASCO, time and cost required to analyze and evaluate many tenders would be disproportionate to the value of goods, works or services to be procured.

The process involves prequalification of the suppliers, who are invited to bid. At least 10 prequalified bidders from the prequalified list will be selected.

If there are no prequalified bidders, MARWASCO shall advertise the tender in a newspaper with nationwide circulation and its own website seeking response to the bids within 14 days.

This method is advantageous to MARWASCO since it reduces procurement risks and ensures specialized expertise is conveniently procured.

The method is also approved under PPADA, 2015, in limited competition scenarios and therefore meets requisite regulatory compliance.

6.5.4. Direct Procurement (PPADA 2015, Section 103 (2) and (3)

Direct procurement is a non – competitive method, with no set procurement threshold and will be applied where the goods, services or works are unique, urgent or are supplied by only one supplier and there is no feasible alternative that exists.

The application of this process requires justification and approval from the Accounting Officer. For MARWASCO, this approval shall be granted by the MD or person authorized to act in his/her absence.

Scenarios this method will apply:

- Due to war, invasion, disorder, or natural disaster creating an urgent need for goods, works or services making use of other competitive procurement methods impractical. Justification is needed to confirm that circumstances giving rise to the urgency were neither foreseeable by MARWASCO nor the result of slack conduct on its part.
- Owing to catastrophic events, creating an urgent need for goods, work and services makes it impractical to use other procurement methods due to constraints of time.
- The company having bought goods, equipment, technology, or services from a supplier determines that additional supplies of the same standards for compatibility with the existing consignment. *Procurement department shall consider effectiveness of the original procurement in meeting company needs; limited size of the proposed procurement relative to original purchase; unreasonableness of the price and unsuitability of goods and services in question from other sources.*
- For the acquisition of goods and services provided by public entity provided that the acquisition price is fair, reasonable and compares well with known prices or goods, works and services in the circumstances.

MARWASCO will engage in this procurement process where immediate procurement is required and particularly in emergency situations. Although the procedure is allowed under PPADA, 2015, there must be documented justification and approval to use the method from the Managing Director.

6.5.5. Framework Agreement

A framework agreement is a type of contract that sets out terms and conditions for future agreements between parties (MARWASCO and its vendors), without specifying exact details for each transaction.

It is commonly used to establish pricing, quantity, and other conditions for contracts awarded over a set period.

A framework agreement simplifies repeated transactions by pre-negotiating core terms, reducing the need for extensive contract discussions each time a new order is placed. For the purposes of this policy.
This procurement method is applicable for recurrent procurement needs such as office supplies and maintenance services.

In applying this procurement method, MARWASCO will establish long-term supplier contracts through competitive bidding.

This shall be driven by the need to enhance efficiency and cost savings for frequently required items, in line with the provisions of PPADA, 2015, for strategic sourcing, as outlined in sections below:

1. MARWASCO may enter into a framework agreement after a competitive open tender if—
    a. The procurement value is within the thresholds prescribed under this policy.
    b. The required quantity of goods, works, or non-consultancy services cannot be determined at the time of entering into the agreement.
    c. Minimum of seven alternative vendors are included for each category.
    d. The maximum term for the framework agreement does not exceed one-year agreements.
2. If the validity of framework agreement period exceeds one year, there must be value for money assessment undertaken annually to determine whether the terms designated in the framework agreement remain competitive.
3. *Options for procurement through framework agreement:*

    (a) Procure through call-offs order when necessary

    (b) Invite mini competition among suppliers and providers that have entered into the framework agreement in the respective categories.

4. For the purposes of Subsection 3 (a), "Call-offs order" means an order made using a framework agreement with one or more contractors, suppliers, or consultants for a defined quantity of work, goods, and consultancy covering terms and conditions including price that users require to meet the immediate requirements.
5. An evaluation committee shall be constituted to evaluate and recommend vendors for the bids received from the vendors engaged through framework agreement under subsection 3(b) above (PPADA 2015, Sec 59) [Revised 2022].
6. The procurement department shall prepare and submit to the Managing Director 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.

7. For greater certainty procurements undertaken through framework agreements may be subject to preferences and reservations as provided for in this Policy.

6.5.6. Electronic Government Procurement (e-GP)

This procurement method is applied for digital procurement, improving efficiency and compliance.

The process requires that all procurement activities be conducted via the e-GP platform as per 2025 directives.

The process is mandatory under PPRA's e-GP framework and is aimed at enhancing transparency, automating procurement workflows, and improving audit trails.

6.5.7. Low Value Procurements

This procurement method shall be applied where there is no advantage of seeking quotations or engaging in other competitive procurement methods, for example, procurement of goods from the Supermarkets.

The threshold for this procurement shall be **Kshs 50,000** per procurement per item per financial year. If this limit has potential to be exceeded, Procurement department may consider entering into framework agreement for the respective goods.

6.6. Procedures for Purchase of Goods, Works, and Services

i. The user department shall raise a Purchase Requisition (PR) which shall be approved by the head of department after confirming that the requested item (s) are included in the departmental procurement Plan and are budgeted for.
ii. The approved requisition will be forwarded to the Procurement Officer (PO), who will check if the item is in or out of stock and needs to be procured.
iii. If the items are in stock in sufficient quantity to meet user needs, the requisition shall be halted and the head of user department advised accordingly.
iv. If the items are out of stock and need to be purchased, the requisition will be forwarded to the MD with a recommendation by Head of Procurement for authorization to procure using appropriate procurement methods.
v. Once the authorized requisition is received from the Accounting Officer, the procurement department shall initiate a competitive procurement process as outlined in this policy.
vi. Received tenders/quotations shall be presented to the Tender Opening Committees for opening and evaluation committee for processing according to the procedures set out in this policy.
vii. Quotes / tenders for spares and/or repairs of motor vehicles shall always be sought from authorized dealers and registered firms.
viii. Goods procured using an imprest shall be verified by the Procurement Department for quality and compliance with specifications before use.

6.7. Procedures for Processing Tenders and Quotations

a) Tenders and quotations shall be submitted in sealed envelopes only indicating the tender/quotation reference numbers.
b) The tender / quotations shall not be opened before the date and time indicated in the tender documents.
c) No late tender / quotation shall be accepted after the deadline for submission as indicated in the advertised documents.
d) Once opened, the TOC will date, stamp, and serialize each tender / quotation document and ensure the complete details of the respondents are entered into the opening register.
e) Procurement department shall maintain a register for RFQs and Tenders with complete data on the firms / individuals invited to bid, contact information and tenders/quotation reference numbers.
f) Maintain an RFQ opening register with details of the responding firms/individuals. TOC members shall append their names and signatures on the register and tender / quotation forms and all priced pages of the bids.
g) Head of Procurement Department will propose an evaluation committee for appointment by the Managing Director to process the tenders/quotations. Procurement Officer will table the bids to the committee for evaluation and consequently be responsible for safe custody of the processed documents.
h) The outcome of the evaluation will be communicated to the Head of Procurement for approval and upon approval seek authorization of the Managing Director for the award of the contract to the winning bidder.
i) The selected supplier/service provider will be notified immediately and expected to acknowledge receipt of award by signing and returning an acceptance letter. Simultaneously, MARWASCO will notify the unsuccessful bidders.
j) A contract for works / LPO for supplies or LSO for services will be issued within 14 days of notification and the service provider expected to deliver as per the terms and conditions of the Contract / LPO/LSOs.
k) For locally sourced goods and services through quotations, suppliers and service providers are expected to deliver within 14 days of the issue of LPO/LSO.
l) If the goods are to be sourced outside the Country, the supplier will agree with MARWASCO most reasonable delivery timeframes considering custom procedures and once agreed, stick to that as binding delivery timelines.
m) If the winning bidder (Section x above) is unable to deliver as per contract or declines the award, the second lowest evaluated bidder will be approached for award.

6.8. Thresholds and Approvals

The thresholds and approvals shall comply with the Second Schedule of the 2020 Regulations, which sets clear financial ceilings for each method; approval levels for the

MD, AO, and Tender Committee, and requires that all thresholds must be reviewed annually and updated in the manual.

Consequently, table 1 outlines procurement thresholds aligned with legal provisions:

Table 1: Procurement Thresholds

Procurement Method	**Application**	**Threshold**	**Regulatory Reference**
Open Tendering	High-value procurements	**Above KES 3 and 5 million for Goods & Services respectively**	PPADA 2015
Request for Quotation (RFQ)	Standard goods & services	**Below KES 1 million**	PPADA 2015
Restricted Tendering	Limited supplier competition	**As justified**	PPADA 2015
Direct Procurement	Urgent & specialized cases	**Requires approval**	PPADA 2015
Framework Agreements	Recurrent needs	**Based on consumption patterns**	PPADA 2015
Low Value Procurement	Procurement via cash or Imprest	**Kshs 50,000**	Authorization from Head of Finance & MD
Electronic Procurement (e-GP)	Digital transactions	**All government contracts**	e-GP 2025

6.9. Regulatory Oversight

To ensure adherence to legal frameworks, MARWASCO shall:

1. Align procurement methods with PPADA, 2015, PPRA regulations, and e-GP directives.
2. Submit procurement plans and reports to relevant authorities, including WASREB and PPRA.
3. Conduct periodic compliance audits to assess adherence to procurement thresholds.
4. Foster supplier diversity, ensuring AGPO compliance for inclusiveness.

7. Procurement Committee

In implementing the procurement policy and ensuring clear separation of roles and responsibilities for effective accountabilities, MARWASCO will establish key procurement committees with specific mandates as outlined in this section. For all the committees, the appointment shall be as per the procurement cycle, members required to sign Conflict of Interest Declarations (Sec. 66) and undergo mandatory training on PPADA and ethical conduct.

7.1. Tender Opening Committee (TOC)

MARWASCO shall establish a Tender Opening Committee in line with the provisions of PPADA Sec. 78, whose composition shall be at least 3 – 5 members appointed by the MD or his/her authorized representative.

The committee will have one person who is a procurement professional, representative of the user departments and Finance.

For meeting purposes, the quorum shall comprise of the chairperson and at least two other members.

The committee may co-opt technical experts from relevant departments when inputs of the experts are required to finalize a decision on the tenders.

Roles and responsibilities:

- Open tender box and bid documents at the designated date and time.
- Prepare and keep signed record of bidders in attendance and the members of the TOC.
- Prepare and submit a report to the Head of Procurement Department
- Ensure transparency and fairness in bid receipt, evaluation, and award.

For the Tender Opening, the committee shall ensure that they maintain a register of all the tenderers upon opening the tenders including details such as:

For the Tender Opening, the committee shall ensure the following:

- Maintain a register of all the tenderers upon opening the tenders including details such as name of the bidder,
- number of bid documents submitted by a bidder,
- total price of the tender including discount,
- tender security if any,
- confirmation of technical and financial proposal,
- sign priced pages and cross blank and non-priced pages.

Prepare tender opening minutes clearly indicating the procedures followed in opening the tenders and particulars of the bidders who responded and were in attendance during the tender opening session.

Acknowledge the minutes as true reflection of the proceedings by each member appending their names, designation and signatures on the TOC minutes and initialing each page of the Minutes.

For quotations, on the opening of the bids, the following information shall be disclosed:

- Names of the bidders
- Bid Prices
- Confirmation of technical and financial proposals
- Signing on the priced pages of the bid documents
- Submission of a copy of the quotation opening proceedings and quotations to the Head of Procurement

7.2. Evaluation Committee (EC)

An evaluation committee shall be constituted in compliance with the provisions of PPADA2015, Sec. 46. The EC shall comprise of 3 – 5 members with relevant expertise and representation from procurement and technical expert and appointed by the Managing Director.

The quorum for the meeting shall be chairman and at least two other members. Where technical opinion is necessary to reach a procurement decision by the committee, the Committee may co-opt technical experts and user department representatives for that purpose.

This committee shall be appointed as per the procurement cycle.

Role and responsibilities:

- Evaluate bids against set criteria (technical and financial).
- Prepare evaluation reports and recommend the most responsive bidder.
- Maintain confidentiality and impartiality.

7.3. Inspection and Acceptance Committee (IAC)

The IAC committee shall be established in line with the provisions of PPADA Sec. 48 comprised of user department representative, procurement officer, and technical staff. The appointment will be made by the MD or his/her authorized representative.

Role and responsibilities:

- Inspect delivered goods, works, or services.
- Confirm compliance with contract specifications.
- Recommend acceptance or rejection.

7.4. Contract Implementation Committee (CIC)

The CIC committee shall be established in line with the provisions of PPADA Sec. 47, comprising of cross-functional team including procurement, finance, and technical staff and appointed for high-value or complex contracts.

Role and responsibilities:

- Monitor contract execution and timelines.
- Resolve implementation issues.
- Prepare performance reports based on the Contract Implementation Committee report template presented in Annex A6.

7.5. Disposal Committee (DC)

The DC committee shall be constituted in line with the provisions of PPADA Sec. 165 and comprise of at least 5 members including Head of Finance, Head of Procurement, at least two end users' departmental representatives and coopted technical experts.

The committee is appointed by the MD or his / her authorized representative and will only commence its work upon MARWASCO board directors' approval of the assets to be disposed of.

Disposal Committee members shall elect a chairperson and secretary from amongst its membership.

Roles and responsibilities:

- Recommend most appropriate disposal methods (as per Section 10.3 of this policy) for unserviceable, obsolete, uneconomical, or surplus assets and stocks.
- Oversee disposal process (auction, transfer, destruction).
- Ensure compliance with asset disposal procedures and particularly with the disposal of assets to the employees or directors of the public entity.

8. Procurement and Stores Documentation

The accountable documents used to track procurement and movement of goods and assets from the supplier to the Company and within the company are summarized in table 2. These documents are generated by the integrated Enterprise Resource Planning (ERP) and Financial Management System.

Table 2: Summary of Procurement and Stores Documentation

Document	**Purpose**	**When used**
Procurement Plan	Outlines what will be procured, when, and how	At the start of the financial year
Requisition Form	Internal request to initiate procurement	Before sourcing begins

Document	Purpose	When used
Request for Quotation (RFQ) / Invitation to Bid (IFB) / Request for Proposal (RFP)	Solicits offers from suppliers	During sourcing
Tender Evaluation Report	Documents on how bids were assessed	After bid opening
Contract Award Notification	Communicates award decision	Post-evaluation
Local Purchase Order (PO) / LSO	Formal order issued to supplier for goods or services	After award approval
Goods Received Note (GRN)	Confirms delivery from suppliers and inspection	Upon receipt of goods
Stores Requisition Form	Request goods / items from the stores	When users want to use the goods/items in store
Bin Card	Used to maintain stock records in a warehouse	Once goods are in warehouse
Invoice	Supplier's request for payment	After delivery
Payment Voucher	Internal approval for payment	Before disbursement
Contract Agreement	Legally binds both parties	For major procurements
Return Note	Used when returning goods to supplier	If goods are defective or incorrect
Gate Pass	Allow movement of goods / items out of the company premises.	Movement of goods for use or repair outside the company premises

8.1. Safekeeping of the records

Procurement records shall be kept for at least six years after the completion of the procurement process, regardless of the outcome (contract award or failure to award contract) as provided for in the PPADA Act 2015 (Sect 68).

The head of procurement department will be responsible for safekeeping of all procurement documents and available them when needed.

All procurement documents will be serialized and filed neatly for ease of retrieval and reference in future.

8.2. Procedures for Receiving and Issuing Goods from the Stores

A. Receiving Goods

1. Pre-Delivery Preparation

The Procurement department will confirm delivery against a valid Local Purchase Order (LPO) for goods and LSO for services.

Forward a copy of the Local Purchase Order (LPO) to MARWASCO warehouse for the warehouse in charge of preparing to receive the goods.

They will then notify the Inspection and Acceptance Committee (IAC) of expected delivery.

2. Physical Receipt

The goods to the stores shall be accompanied by the Delivery Note (DN) if delivered by suppliers and Consignment Note if supplier delivers through a third party.

Goods received at the designated stores shall be acknowledged using a Goods Received Note.

And checked for quantity (against Delivery Note and LPO); quality (against specifications), packaging and condition.

The receiving officer / storekeeper will sign the duplicate copy of the DN/GRN as confirmation that the goods have been received at the stores.

3. Inspection and Acceptance

Goods received are inspected by IAC within 7 days of delivery and if found compliant with specifications, quantities, and quality as per LPO, Goods Received Note (GRN) and Inspection report are prepared.

If the receiving officer cannot verify technical specifications, he/she may seek the assistance of a technical officer from the respective user department to confirm the specifications.

The receiving officer will retain original copy of the DN and Invoice and issue the supplier with a duplicate copy of the Delivery Note (DN).

If non-compliant, goods are rejected and returned with a Rejection Note.

4. Documentation and Recording

The storekeeper will use the information to update Bin Cards, Stock Cards, and ERP system.

The storekeeper will then use the Delivery Note, Invoice and Copy of LPO to raise a Goods Received Note (GRN)

Then forward GRN, DN, invoice, and inspection and acceptance certificate / report and LPO to Finance for payment processing.

And use the information in the GRN to update the stock card.

B. Issuing Goods

As a matter of policy, all goods from the stores shall be issued against an approved stores requisition form that shall be signed by the issuing officer to signify release of goods, and the receiving officer to confirm conformity with the SRF. Once the goods are issued and SRF signed in duplicate, the issuing officer will update the store's inventory. The step-by-step process for issuing items from the stores are outlined below:

1. Requisition

The user department submits a Stores Requisition Note (SRN) authorized by the relevant departmental head.

2. Verification

The stores officer verifies availability of stock, authorization of SRN and issues stock to requesters based on the First In, First Out (FIFO) principle for issuing.

3. Issuance

Goods are picked up and issued to the user and the user signs the Issue Register and receives a copy of the SRN.

4. Record Update

The storekeeper will update stock balances in the Bin Cards, ERP system and Goods Issued Register

C. Goods Leaving the Company Premises

i. Goods/items may leave the stores and company premises for repair or use in the field by staff.

ii. All items / goods leaving the company premises must be accompanied by a Gate Pass signed by an authorized officer.
iii. The gate pass should indicate the complete details of the item/goods including item description, model, serial number, name of firm (if for repair), or employee carrying the item/goods and the reason for being taken away.
iv. The gatekeeper will use the details in the gate pass to update the register at the gate.
v. Items indicated as returnable must be returned at the indicated due date, failure to which the warehouse officer to be notified by the gatekeeper.

D. Items / goods on loan or temporary use

D1. Loaned items are issued for specific tasks and are returnable after the task is complete.

D2. Officers requiring items on loan will have authorization from their heads of department and procurement officer.

D3. A register of loaned items / goods is established and kept at the warehouse and updated accordingly by the warehouse officer.

E. Return of Goods to the Stores

a. Surplus, defective, damaged, or obsolete items shall be returned to the stores for re-issue, repair, or disposal.
b. Items returned to the stores shall be accompanied by stores return form.
c. The warehouse officer shall inspect the returned items and their report and take necessary action (e.g., for re-issue, repair, or disposal).
d. Materials return note forms shall be filled in duplicated and signed by both the warehouse officer and user and original given to the user while duplicate is filed for future reference.
e. Materials return note register will be updated accordingly, each time items are returned to the stores.

F. Controls and Best Practices

To ensure good practices MARWASCO warehouse team will conduct monthly stock reconciliations.

Monitor and maintain minimum and reorder levels to minimize interruptions in service delivery.

Ensure segregation of duties between receiving, issuing, and record-keeping for effective accountability.

Adhere to the Public Procurement and Asset Disposal Act, 2015 and related regulations.

9. Supplier Management Framework

9.1. Supplier Registration and Pre-qualification via e-GP

9.1.1 Each year MARWASCO shall openly advertise for goods, work and services among interested suppliers and services providers for pre-qualification.

9.1.2 The application window will be a minimum of fourteen (14) and maximum of twenty-one (21) days depending on the value of tender and target market.

9.1.3 Procurement Department will use the data from potential suppliers and service providers for the various categories to create a manual and electronic register of service providers for goods, works and services.

9.1.4 The company shall register at least three (3) most competitive firms for each category of goods, work and services.

9.1.5 During the Financial Year, quotations will be sourced from registered suppliers in MARWASCO supplier database / registers.

9.1.6 In very special situations such as searching for unique skills and talents and services from providers with monopoly, the company may widen the search for service providers outside those within its registered database. This will only occur with strong justification and approval of the Managing Director.

9.1.7 For goods, works and services whose value exceed quotation thresholds, open tendering will be used. The tender documents shall be prepared by department requesting the goods, work or services and reviewed by procurement for compliance with procurement policy.

9.1.8 The printed approved tender documents will be available to service providers at a cost recovery rate of Kshs l000/=. Approved tender documents obtained from company website will be free of charge.

9.1.9 The procurement department will establish and maintain an updated database of all suppliers who have obtained the tender documents physically and electronically. This database will be used for verification of the suppliers at the evaluation of submitted tenders.

9.1.10 For tender lots that have not attracted any bidders for registration, suppliers may be obtained through a market survey or referrals from other credible public institutions.

9.2. Maintaining a List of Registered Suppliers (PPADA 2015, Section 57)

The objective is to establish a vetted pool of eligible suppliers to ensure quality, compliance, and value for money. The procedures to be followed are outlined below:

a. At the start of each financial year, MARWASCO shall conduct supplier registration & Prequalification. The eligible suppliers will need to meet the requirements below:
   - Valid business registration/incorporation certificate.
   - Valid tax compliance certificate (KRA).
   - Relevant licenses (e.g., NCA, NEMA, KEBS, AGPO).

- Past performance references.

b. Application process will involve public advertisement via newspapers with nationwide circulation and through [tenders.go.ke] (https://tenders.go.ke).
c. All eligible suppliers will submit their details, complete prequalification forms and supporting documents to MARWASCO Procurement Department electronically and via mail
d. The department will conduct an evaluation of the bids received using supplier evaluation matrix (Annex A4) based on technical capacity, financial standing, and experience.
e. The Suppliers will be categorized into those with capacity for Goods, Works, and Services.
f. MARWASCO will ensure that 30% of the supplier's opportunities are reserved for special interest groups including Youth, Women, and PWDs (AGPO).

9.3. Registered Suppliers Database

The objective will be to maintain an up-to-date, segmented list of qualified suppliers.

Based on the data from prequalified suppliers per category, MARWASCO will establish a physical and digital registered supplier database by category of goods/services, AGPO status, and performance rating.

The Suppliers database will have a validity period of 2 years, subject to annual performance review and monitoring targeting key indicators such as:

- Delivery timelines.
- Quality of goods/services.
- Responsiveness and compliance.

All pre-qualified and registered suppliers must sign and adhere to Supplier Code of Conduct (Annex A1), which guarantees compliance with ethical and professional standards.

9.4. Debarment Procedures as Per PPADA 2015, Section 41

The objective of debarment procedures is to enforce accountability and deter unethical practices.

Grounds for Debarment (as per PPADA Section 41 and 115):

- Submission of false information during registration or bidding.
- Breach of contract terms.
- Corrupt, fraudulent, or collusive practices.
- Persistent underperformance or non-delivery.

Step by Step process for debarment

a. Step 1 – Initiation which shall be triggered by internal audit, user department, or complaints.

b. Step 2 – Investigation which shall be conducted by the Procurement Department and Legal Officer.
c. Step 3 - Show Cause Notice issued to the supplier for written response on the complaints raised.
d. Step 4 - Debarment Committee Review recommends action to the Accounting Officer.
e. Step 5 - Decision & Notification where a supplier is informed and listed in the PPRA Debarment Register.

9.5. Preference for Local Suppliers and AGPO Groups

The objective of this preference is to promote inclusivity and economic empowerment, in compliance with the PPADA Section 155–157 and AGPO Circulars and AGPO compliance checklist for MARWASCO (Annex A5).

In implementing the requirements of this policy, MARWASCCO will ensure that:

a. 30% of all procurements are reserved for qualified Youth, Women, and Persons with Disabilities.
b. Contracts are unbundled to make opportunities accessible to smaller and upcoming firms.
c. No Tender Security Requirement but instead use Tender Securing Declaration Form.
d. Aspiring special interest groups have a mandatory AGPO Certification issued by the National Treasury.
e. There is an effective monitoring framework to track AGPO participation and award percentages, and this framework includes AGPO-specific KPIs in procurement reports.

10. Assets Disposal

The management shall obtain authority from the board of directors before commencement of any disposal process. The following guidelines shall apply to disposal of boarded assets and stores.

a. MARWASCO will advertise for the disposal of assets and boarded stores nationally via newspapers and websites, with 14 days' window for potential bidders to respond.
b. MARWASCO will accept bids from potential purchasers delivered via:
    i. Registered Post
    ii. Hand delivery
    iii. Prescribed digital modes.
c. All purchasers should notify MARWASCO procurement Department via phone of the mode of bid delivery they have used. Once the bids have been received, MARWASCO will acknowledge receipt via email.
d. The highest bids will be accepted on "as is basis "subject to reserve price.

c. In case the first bidder fails to take the item, the next highest bidder in descending order will be accepted until the reserve price is reached.
d. Where two or more candidates tender the same amount, they will be notified in writing to make an alternative offer, the higher of which will be accepted.
e. If the sale is not effected by any of the highest bidder's equivalent or above the reserve price, the items will be re-advertised for sale.
f. Successful bidders will have seven (7) days to pay for the items won and if no payment is effected within the 7 days, clause (c) above shall apply.
g. Payment for the items will be made in full to the company's bank account, through banker's cheque or electronic bank transfer.
h. Purchasers must remove the items from MARWASCO premises within seven (7) days of payment failure, to which the items shall remain on MARWASCO premises at the purchaser's own risk and attract a daily storage fee of 10% of the value of assets.

Overall, asset disposal must balance regulatory compliance, financial prudence, and environmental responsibility. In compliance with the PPADA 2015, MARWASCO has developed disposal procedures and methods that guarantee transparency, accountability, and value for money in the disposal of its goods and assets. MARWASCO will apply the methods outlined below in disposing its assets:

10.1. Procedures for Disposal

The objective is to establish a structured, lawful, and transparent process for disposing of obsolete, surplus, unserviceable, expired, damaged or redundant assets while maximizing value and minimizing risk to the company. This procedure applies to all departments and covers disposal of all tangible non-current assets (e.g., vehicles, machinery, equipment, IT devices, and tools).

The assets to be disposed of may be accumulated centrally within the stores to substantial quantities before the disposal process is initiated. For all the capital assets, a technical report is required.

10.2. Assets Disposal Steps

10.2.1 **Identification and Initiation**: Departmental heads will identify redundant or obsolete assets and complete an Asset Disposal Request Form and submit it to the Procurement or Administration Unit.

10.2.2 **Technical Assessment**: a qualified officer inspects the asset to confirm disposal justification and makes necessary recommendations and conditions (usable, damaged, obsolete), which are documented.

10.2.3 **Disposal Committee Formation**: The Accounting Officer appoints a Disposal Committee, which evaluates each request and inspects assets.

10.2.4 **Valuation**: Assets are valued by an internal team or external valuer, who submits a written valuation report with asset details and recommended reserve price.

10.2.5 **Approval**: The Disposal Committee compiles a Disposal Plan, which is submitted to the Board or designated authority for approval.

10.2.6 **Method of Disposal**: The Disposal Committee recommends an appropriate disposal method as per section 10.3 of this policy.

10.2.7 **Implementation**: Approved disposal is conducted transparently, with a report on the process, participants, and outcome.

10.2.8 **Record Update**: The Asset Register is updated, and all disposal forms, handover documents, and receipts are archived.

10.2.9 **Reporting**: Quarterly disposal reports are submitted to management and internal audit, and annual disposal summaries are included in financial disclosures.

10.2.10. Roles and Responsibilities

Role	Responsibility
Department Head	Initiates disposal process
Procurement/Admin Unit	Coordinates valuation and documentation
Disposal Committee	Conducts evaluation and recommends method
Accounting Officer	Appoints committee and approves disposal plan
Internal Auditor	Reviews process for compliance and risk mitigation

10.3. Methods of Disposal

10.3.1. Public Auction

Through this process, idle or obsolete assets (e.g., old vehicles, pumps, and meters) are sold to the highest bidder. The disposal committee will ensure that the there is a complete transparency in the process in compliance with the requirements of Kenya's Public Procurement and Asset Disposal Act, 2015.

10.3.2. Competitive Sale (Tendering)

Competitive sales will be applied where disposal of assets requires them to be sold through a structured bidding process. The committee will ensure that MARWSCO gets value for money and there is fairness in the process, especially for high-value items.

10.3.3. Transfer to other Public Entities

The assets that are still in usable condition may be transferred to other government agencies or county departments, a process that MARWASCO believes will promote inter-agency efficiency and avoid waste.

The accounting officer and the Disposal committee will ensure that the transfer decision as a disposal method is not influenced by politics or interest that conflict with the goals and objectives of MARWASCO procurement Policy and PPADA 2015.

10.3.4. Donation

This disposal method shall apply to non-critical but functional assets (e.g., office furniture, IT equipment) and the assets may be donated to schools, health centers, or community-based organizations whose mission and objectives mirror those of MARWASCO.

For the ICT related donations, IT Department will ensure that the donated assets comply with MARWASCO confidentiality policy and Data Protection Act

All donations require board approval and complete documentation on the donated assets and recipients of the donated assets.

MARWASCO may set conditions for donated assets, which can be formalized through a right of use agreement.

10.3.5. Recycling or Scrapping

This method shall apply to those assets beyond repair or are obsolete (e.g., corroded pipes, broken meters).

In compliance with the National Environmental Management Authority (NEMA) Act and regulations, this disposal must the done through licensed recyclers. The successful recycler must provide a destruction certificate for the items to remove the items from the record.

MARWASCO may contact relevant NEMA offices for database of registered and NEMA approved recyclers.

Alternatively, this may be advertised publicly for qualified recyclers to bid for the relevant items.

10.3.6. Write Offs

This method shall apply when assets are stolen, lost, or damaged beyond economic repair. The MD who is the designated accounting officer can authorize write off items of value not exceeding Kshs 10,000, with assets of value above this amount requiring authorization from the board of directors.

The process will require thorough documentation, investigation, and approval by the Disposal Committee.

10.3.7. Trade In

Old equipment may be traded in when acquiring new assets (e.g., exchanging old vehicles for new ones). This may help in reducing procurement costs. However, to eliminate possibility of abuse during procurement, this must be considered on a case-by-case basis and requires approval by the board of Directors.

10.4. Criteria for determining when to dispose of Company Assets

1. Obsolescence

An asset meets this criterion when it no longer meets operational or technological requirements and newer, more efficient alternatives are available.

2. Physical Deterioration

Assets qualify for disposal under this criterion if the asset is damaged beyond economic repair and the assessed maintenance costs exceed the asset's residual value.

3. Redundancy

If the asset is surplus to current operational needs or it is no longer required due to restructuring or process changes, then it can be disposed due to redundancy criterion.

4. End of Useful Life

The criterion is used when the asset has reached the end of its estimated useful life as per the asset register and has fully depreciated and no longer contributes value.

5. Non-Compliance or Safety Risk

This is considered a criterion for disposal when the asset poses health, safety, or environmental risks and fails to meet current regulatory or technical standards.

6. Theft or Loss

This is considered when the asset has been stolen or cannot be accounted for. However, to avoid intentional loss and abuse of the process, for this criterion to be applicable, it requires formal write-off after investigation and approval.

7. Strategic Replacement

MARASCO may consider disposal due to strategic replacement when the asset is being replaced as part of a planned upgrade or capital investment. The company should consider existing trade-in opportunities to reduce acquisition costs.

8. Space Optimization

The criterion will apply when the asset occupies valuable space but serves no functional purpose and in opinion of MARWASCO, disposal frees up room for more productive use.

These criteria must be applied in line with the Public Procurement and Asset Disposal Act, 2015, and documented through a formal Disposal Plan approved by the Disposal Committee and the Board.

Ensure all disposals are guided by a Disposal Plan, approved by the Disposal Committee, and documented in the Asset Register. Compliance with the Public Procurement and Asset Disposal Regulations, 2020 is essential.

11. Professional Ethic

Professional ethics form the backbone of accountability and public trust. Therefore, the procurement team is expected to conduct themselves in line with core ethical principles that guide responsible procurement practice. These principles are also enshrined in MARWASCO's core values and are summarized here as a reminder.

1. Integrity

Procurement officers must act with honesty and uphold strong moral principles. That means avoiding conflicts of interest, refusing bribes or kickbacks, and keeping processes fair and above board.

2. Transparency

Activities and decisions should be open to scrutiny. This includes clear documentation, competitive bidding processes, and open communication with stakeholders and suppliers.

3. Accountability

Every procurement decision should be traceable and justifiable. Officers are accountable to their organization, the public, and oversight bodies like the PPRA and WASREB.

4. Fairness and Equity

All bidders and suppliers should be treated equally and without discrimination. This links directly to AGPO compliance—promoting inclusivity for youth, women, and persons with disabilities.

5. Confidentiality

Sensitive information, like pricing and supplier proposals, must be handled with care. Leaks or misuse of this data can undermine competitive processes.

6. Value for Money

Ethical procurement isn't just about the lowest price, it is about the optimal balance between cost, quality, sustainability, and service delivery.

7. Compliance

Officers must adhere to legal and policy frameworks like the PPADA 2015, the 2020 Regulations, and evolving e-GP requirements. Ignorance is not an excuse in procurement ethics.

8. Environmental and Social Responsibility

Ethical buyers consider the social and environmental impact of procurement—sourcing sustainably and respecting labor rights and environmental standards.

11.1. Declaration of Interest

A member of any of the procurement committees with interest in a particular tender should immediately declare his/her interest therein using the form (Annex A2) and withdraw from deliberations related to the specific tender or quotation.

11.2. Conflict of Interest

a. An employee, agent, or member of the Board of MARWASCO who has conflict of interest with respect to any procurement shall not take part in the procurement proceedings.
b. Such employees, agents or board members shall not take part in any decision relating to the procurement or contract after the contract has been awarded.
c. The declaration shall be recorded in the asset register.

11.3. Confidentiality

All parties involved in procurement at any level shall maintain total confidentiality of the procurement proceedings. Failure to maintain confidentiality will attract disciplinary procedures as outlined in MARWASCO Human Resources Policy and Procedures Manual

11.4. Collusion

No person shall collude or attempt to collude with any other person:

i. To inflate proposed prices, than would otherwise have been the case, considering prevailing market prices.
ii. To have that other person refrain from submitting a tender, proposal, quotation, withdraw or change a tender, proposal, or quotation.
iii. To submit a tender, proposal, or quotation with specified price or with any specified inclusions or exclusions to gain undue advantage of the procurement process.

11.5. Alteration and Amendments

This policy will be subject to review every two years to reflect changes in legislation, tender cycles, and prevailing market conditions.

In case of substantial changes that invalidate some provisions of the policy, the Procurement Department in consultation with the Managing Director and the Board of Directors, will initiate necessary reviews and updates.

16. Annexes

Annex A1: Supplier Code of Conduct

This Supplier Code of Conduct sets expectations for ethical behavior, regulatory compliance, and performance standards.

MARWASCO is an equal opportunity employer and is committed to ethical, responsible, and sustainable procurement. This Code outlines the minimum standards we expect from all suppliers, contractors, and service providers.

1. Legal and Regulatory Compliance

Suppliers must operate in full compliance with applicable Kenyan laws, including labor, environmental, tax, and public procurement laws such as the Public Procurement and Asset Disposal Act, 2015.

2. Ethical Business Practices

Suppliers and service providers must engage in fair competition and prohibit any form of bribery, corruption, or fraud.

They must avoid conflicts of interest and disclose any situation that may appear to influence procurement decisions.

Refraining from offering gifts or favors to company staff that may compromise integrity.

3. Labor and Human Rights

Respect the rights of workers in line with national employment laws and international labor standards.

Prohibit child labor, forced labor, and any form of discrimination or harassment.

Provide safe, inclusive, and non-discriminatory workplaces.

4. Environmental Stewardship

Suppliers are expected to minimize negative environmental impacts through sustainable practices, including:

- Efficient use of water, energy, and materials.
- Proper waste management and pollution prevention.
- Compliance with environmental standards and certifications.

5. Health and Safety

Maintain a healthy and safe working environment for all employees and subcontractors.

Follow industry best practices and applicable health and safety laws.

6. Confidentiality and Data Protection

Suppliers must protect the company's confidential information and data and not share proprietary information without explicit authorization from the Managing Director.

7. Monitoring and Enforcement

The company reserves the right to audit or evaluate supplier practices. Failure to meet this Code may result in disqualification, suspension, or termination of business relationships.

I ______________________ (Name of authorized representative of the vendor) acknowledge that I have read and understood the code and are willing to fully abide by it throughout the procurement process, contract award, execution, and closure of the engagement.

Signature: _____________________________ Date; ______________________

Official Stamp

Annex A2: Conflict of Interest Declaration

MARWASCO *Conflict of Interest Declaration Form* **for Procurement and Related Activities**

Name of Declarant: ___________________________

Designation: __________________________ **Department:** ____________________________

Date: _____________

Section 1: Declaration of Interest

1. Do you, your spouse, or immediate family have any financial or personal interest in any supplier, contractor, or consultant engaged with MARWASCO?

   ☐ Yes ☐ No

If yes, please describe:

____

____

____

2. Have you received or been promised any gifts, hospitality, or other benefits from a supplier or potential supplier?

   ☐ Yes ☐ No

If yes, provide details:

____

____

____

3. Do you hold any position (e.g., Staff, director, shareholder, or trustee) in an organization that does or seeks to do business with MARWASCO?

   ☐ Yes ☐ No

   If yes, specify the entity and role:

____

____

____

Section 2: Undertaking

I declare that the information provided above is true and complete to the best of my knowledge. I understand that failure to disclose relevant interests may lead to disciplinary action, including disqualification from participating in procurement activities.

Signature of Declarant: ________________ **Date:** ________________

Section 3: For Official Use Only

Reviewed by (Name): _______________________ **Designation:** __________________

Date Reviewed: ____________

Action Taken (if any):

☐ Noted ☐ Escalated for further review ☐ Conflict mitigated through [e.g., recusal]

Remarks:

____

____

____

Annex A3: RFQ and Tender Template (Customizable)

Request for Quotation (RFQ)

Reference No: [Insert RFQ Number]

Date: [Insert Date]

1. Request Details

MARWASCO invites quotations for the supply/delivery of the following goods/services/works:

Item No.	Description	Quantity	Unit	Remarks
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				

2. Eligibility Requirements

Please submit the following:

- Certificate of Registration/Incorporation
- Valid Tax Compliance Certificate (KRA PIN/VAT)
- Business Permit/License
- AGPO Certificate (if applicable)
- Valid NCA/NEMA or other sector-specific licenses (for work)

3. Instructions to Suppliers

- Quotations must be submitted in Kenyan Shillings, VAT inclusive.
- The quotation validity period should be at least [e.g., 30] days from closing.
- Deadline for submission: [Insert Date & Time]
- Delivery period should not exceed [Insert delivery timeline]

4. Evaluation Criteria

Quotations will be evaluated based on:

- Compliance with technical specifications
- Price competitiveness
- Delivery timelines
- Supplier eligibility documents

5. Contact Information

Submit your quotation to Procurement Officer – MARWASCO

[Insert Address / Email / Online Portal link for e-GP]

Tel: [Insert Contact Number]

Annex 4: Supplier Evaluation Matrix (Sample)

The evaluation can be used quarterly or for tender to evaluate the price and quality competitiveness.

Criteria	Weight (%)	Score (1–5)	Weighted Score
Product/Service Quality	30%		
Delivery Timeliness	20%		
Responsiveness & Communication	15%		
Compliance (legal/regulatory)	15%		
Pricing Competitiveness	10%		
Innovation/Sustainability	10%		
Total	**100%**		

Annex A5: AGPO Compliance Checklist

To be completed for each procurement reserved or targeted under AGPO.

Item	Requirement	Yes/No	Remarks
1	Is the procurement reserved for AGPO-eligible groups (Youth, Women, PWDs)?		
2	Was the procurement opportunity advertised with a clear AGPO reservation?		
3	Did the bidder submit a valid AGPO Certificate (issued by the National Treasury)?		
4	Is the business 100% Kenyan-owned (as per AGPO eligibility)?		
5	For companies: Is at least 70% shareholding and directorship held by the target group?		
6	For PWDs: Is the business registered with the National Council for Persons with Disabilities (NCPWD)?		
7	Did the bidder submit a valid Tax Compliance Certificate?		
8	Did the bidder submit a valid Business Registration Certificate (BN/CR12)?		
9	Was the bidder's submission evaluated independently and fairly?		

Item	Requirement	Yes/No	Remarks
10	Was the award decision documented and published via e-GP?		
11	Was the bidder notified of the outcome in writing?		
12	Was the contract performance monitored and reported?		

Annex A6: Contract Implementation Report Template

Procuring Entity: Marsabit Water and Sewerage Company Limited (MARWASCO)

Contract Title: ____

Contract Number: ____

Supplier/Contractor: _______________________________________

Contract Value (KES): _____________________________________

Contract Duration: From ____________ to ____________

Contract Type: ☐ Goods ☐ Works ☐ Services

Reporting Period: ___________________________

1. Summary of Deliverables

Deliverable	Planned Completion Date	Actual Completion Date	Status (On Track/Delayed)	Remarks

2. Performance Indicators

Indicator	Target	Actual	Variance	Comments
Quality				
Timeliness				
Cost				

3. Site Visits / Inspections

Date(s) of Visit: ___________________________

3.1 Observations:

3.2 Issues Identified:

3.3 Corrective Actions Taken:

4. Payments

Invoice No.	Amount (KES)	Date Submitted	Date Paid	Balance Remaining

5. Challenges and Risks

5.1 Mitigation Measures:

____

____

6. Recommendations / Next Steps

____

____

____

Prepared by: ___________________________ Designation: ___________________________

Date: ___________________________________ Signature: _____________________________

Reviewed by (CIC Chair): ___________________________

Date___________________________ Signature: ___________________________

Annex A7: ☑ Stock Taking Checklist (For Field Teams)

Pre-Stock Taking

[ ] Stock taking schedule approved and shared.

[ ] Teams briefed, and roles assigned (Counters, Verifiers, Recorders)

[ ] Inventory areas cleaned, labeled, and organized.

[ ] Movement of stock items froze during count.

[ ] Inventory master list printed/exported for reference.

During Stock Taking

[ ] Physical count conducted systematically

[ ] All item codes and descriptions cross-verified

[ ] Discrepancies (missing, damaged, excess) recorded separately.

[ ] Count sheets signed by both counter and verifier.

Post-Stock Taking

[ ] Count sheets tallied against system records

[ ] Variance reports prepared and signed.

[ ] Adjustments approved by Procurement & Finance officers.

[ ] Inventory system updated accordingly

[ ] Final stock taking report compiled, reviewed, and archived.

Annex A8: Procurement Plan Template (aligned to Sec. 53)

The template presented can be used by MARWASCO to plan for its annual procurements. Note that for all the procurements, there are requirements for:

1. **Mandatory Upload to e-GP**: All planned procurements must be uploaded to e-GP before initiation.
2. **Link to Budget**: Each item must correspond to a vote head in the approved budget.
3. **AGPO Reservations**: At least 30% of applicable procurements should be reserved for youth, women, and PWDs.
4. **Review Cycle**: Plan to be reviewed quarterly and updated as needed.

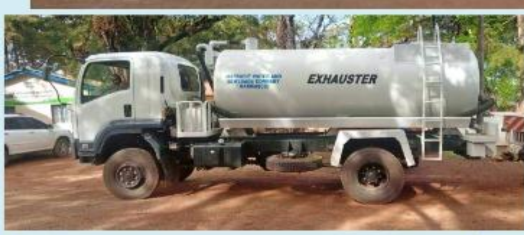
Ref. No.	Item Description	Category (Goods/Works/Services)	Estimated Cost (KES)	Procurement Method	Source of Funds	Planned Date of Procurement	Responsible Department	e-GP Status
MAR/01/25	Supply of Water Meters	Goods	3,500,000	Open Tender	Internal Revenue	Aug 2025	Technical	To be uploaded
MAR/02/25	Construction of Ablution Blocks	Works	12,000,000	Open Tender	County Grant	Sept 2025	Projects	Drafted
MAR/03/25	Supply of Water Treatment Chemicals	Goods	2,000,000	RFQ	Internal Revenue	Monthly (Jul–Jun)	Operations	Recurring
MAR/04/25	Consultancy for Strategic Plan Review	Services	1,200,000	RFP	Donor (WSTF)	Oct 2025	Corporate Affairs	To be uploaded
MAR/05/25	Maintenance of Borehole Pumps	Services	800,000	Direct Procurement	Internal Revenue	Emergency (as needed)	Maintenance	On standby
MAR/06/25	Supply of Office Stationery	Goods	450,000	RFQ	Internal Revenue	Quarterly	Admin	Recurring
MAR/07/25	Prequalification of Suppliers	Services	N/A	Prequalification	N/A	July 2025	Procurement	Completed

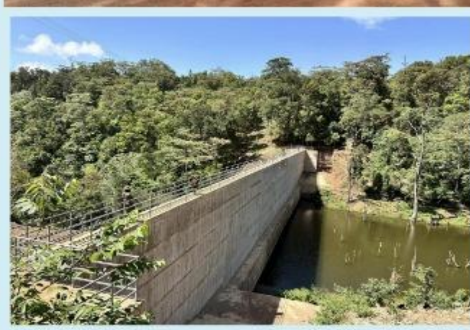
HARAMBEE

COUNTY GOVERNMENT OF MARSABIT
THE CRADLE OF MANKIND

MARSABIT WATER AND SEWERAGE COMPANY LIMITED
MARWASCO
QUALITY AND ACCESSIBLE WATER FOR ALL

MARWASCO Offices, next to the office of the Governor, Marsabit





254 726 689 803

www.marwasco.co.ke

info@marwasco.co.ke

MARWASCOMARSABIT

@MarwascoM_bt

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