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# **Professionalizing Procurement Systems & Operations**

**Eng. Chris Oanda**  
**Chairman, Kenya Institute of Supplies  
Management**

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# INTRODUCTION .....

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*.....the desired  
improvement in **procurement  
outcomes** is dependent on  
the performance of those  
conducting procurement*

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# Why professionalize in Procurement

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- **How do you spend USD 11 Bil on public procurement in E Africa (10% of GDP)?**
    - *Efficiency*
    - *Economy*
    - *Equity*
    - *Social good*
    - *Meet development objectives*
    - *Make grand corruption difficult*
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# Procurement Professionalism in Kenya

- **Public Procurement and Disposal Act 2005**, sec26(8) recognizes procurement professionals and require PE's to engage them in procurement.
- **Supplies Practitioners Management Act 2007**, establishes a framework for development of the procurement profession and regulation of procurement practitioners.

**Despite recognition in law - Procurement in many organizations is still treated as a sub-set of other functions such as Finance and/or Administration or HR etc....**



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# Professionalizing Procurement Systems & Operations

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## Key Pillars in Systems and Operations

- *Procurement Legal Framework*
- *People*
- *Processes*
- *Systems*
- *Professional Association*





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# Professionalizing Procurement Systems & Operations

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## **People** and Professionalisation of Procurement

- Right Skills
- Adequate numbers
- Training regime
- Professional examination and certification





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# Professionalizing Procurement Systems & Operations

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## **Processes** and Professionalisation of Procurement

- Procurement Law and Procedures
  - Strategic contribution of Procurement to organisations and development
  - Adopting Best Practices like planning
  - Appropriate processes for different PEs
  - Procurement & linkage to budget process
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# Professionalizing Procurement Systems & Operations

## **Systems** and Professionalization of Procurement

- Records management and retention systems for small and large PEs
- Automation of processes – ERPs e.g. IFMIS
- Performance metrics and VFM reviews
- Performance audits to discover OTIs
- Administrative review mechanisms for checks and balances and redress.



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# Professionalizing Procurement Systems & Operations

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## **Professional Associations** and Procurement

- KISM; IPPU; PASAT
  - Register of qualified members in good standing
  - Promote and safeguard the profession
  - Education and sensitisation of stakeholders
  - Examination and certification
  - Membership development
  - Professional code of ethics
  - Social good for citizen and country
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# Professionalizing Procurement Systems & Operations

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## Professional Associations and Procurement

- *Capacity of Procurement Professionals*
  - Role of institutes like KISM in capacity building
    - Support Tertiary education programs
    - KISM training and sensitization
    - KISM Examination and Certification
    - KISM Partnership with PPOA, DSC, Counties, Development Partners
    - KISM affiliation with International Associations, IFPSM
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# Professionalizing Procurement Systems & Operations

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## Professional Associations and Procurement

- *Integrated procurement training and knowledge development*
  - Define a training path leading to a practitioner and a professional
  - Ensure it is well developed at the various training levels and Institutions
  - Promotion of these training institutions
  - R&D in knowledge development and local case studies and best practices





## KISM Generalised Performance Metrics

Year	Workshop Performance			Membership Admissions & Renewals			
	Male	Female	Total	Associate	Member	Student	Total
2009	182	124	306	465	560	276	1,301
2010	197	131	328	608	823	406	1,837
2011	270	146	416	469	1002	808	2,279
2012	249	151	400	570	1288	514	2,372
2013	258	149	407	640	1660	648	2,948
2014	241	171	412	547	1646	444	2,637



# Some challenges.....system

- **Low level of compliance** with the legal framework
- Poor conditions of service for procurement staff and ambiguous career progression
- Low capacity of oversight function with limited resources to perform its functions
- Decentralization presents additional strain to an already limited national procurement capacity
- MIS including performance monitoring, quality of data and record keeping are a challenge
- Weak links between the planning and budgeting systems and the procurement system.



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# Some challenges...operational

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- Poor understanding of roles and responsibilities
  - Poor coordination and knowledge sharing
  - Poor procurement forecasting and planning
  - Lack of appropriate skills and knowledge
  - Inappropriate political influence
  - Poor contract management
  - Ineffective internal control and external scrutiny of procurement transactions
  - Private sector lacks knowledge or trust in public procurement system resulting in limited competition
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# Procurement Professionalism in Kenya

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- **Public Procurement and Disposal Act 2005**, sec26(8) recognizes procurement professionals and require PE's to engage them in procurement
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**Despite recognition in law - Procurement in many public and private organizations still faces traditional and emerging challenges...**

**Even ongoing reviews of the PPDA 2005 seem to question the professionalism of procurement!**

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# The Paradigm Shift in Procurement Professionalism in Kenya

- ***The Constitution of Kenya 2010* sec 227** has recognized procurement as a strategic function for realization of national development goals
- Procurement must therefore be seen as requiring high level leadership, effective planning, innovative sourcing, active contract management, continuous process improvement
- Must be consistent with the values and principles of public service and calling of High Office
- ***Professionals... arise and seize our moment!***



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THANK YOU.....

