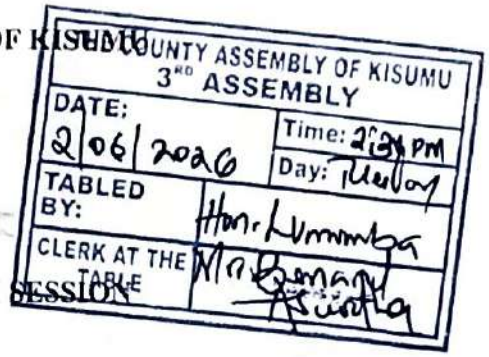
THE COUNTY ASSEMBLY OF KISUMU





THIRD ASSEMBLY – FIFTH SESSION

REPORT OF THE AD-HOC COMMITTEE ON KISUMU COUNTY OWN-SOURCE REVENUE (OSR)

(23RD FEB – 26TH MAY, 2026)

The Directorate of Committees Services
Clerk's Chambers
County Assembly Buildings

MAY 2026

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CHAIRPERSON'S FOREWORD

Mr. Speaker and Honourable Members,

This Report presents the findings, observations and recommendations of the Ad-Hoc Committee on Own-Source Revenue (the Committee) arising from its inquiry into the administration, performance and governance of Own-Source Revenue (OSR) in Kisumu County, conducted pursuant to Standing Order No. 193 of the Kisumu County Assembly Standing Orders.

The County Assembly established this Committee in recognition of the persistent and systemic underperformance of Kisumu County's Own-Source Revenue against approved annual targets; a structural deficit that has progressively constrained the County's capacity to fund development and discharge its service delivery obligations to the residents of Kisumu County. The Committee was charged with conducting a comprehensive, evidence-based inquiry into the root causes of this underperformance and recommending concrete and implementable reforms.

In the course of its inquiry, spanning twenty-two (22) formal sittings, multiple field verification visits and a benchmarking exercise to three peer counties, the Committee uncovered direct and documented evidence of revenue diversion through off-system cash collections; established that the Kisumu Revenue Management System was suspended due to non-payment of contractual obligations; identified critical governance deficiencies arising from the improper constitution and indefinite suspension of the Revenue Board; and benchmarked Kisumu County's performance against peer counties that have achieved substantially superior revenue outcomes through targeted institutional and technological reforms.

The findings submitted in this Report are neither peripheral nor speculative. They point to systemic weaknesses in institutional governance, technological infrastructure, contractual management, enforcement culture and legal compliance that have cost the County potentially billions of shillings in foregone revenue. The Committee is satisfied that Kisumu County possesses the revenue potential necessary to meet and exceed its annual OSR targets of Kshs. 3.6 billion, provided these weaknesses are addressed with urgency, political will and institutional commitment.

The Committee therefore submits this Report in the spirit of transparency and accountability that is fundamental to its constitutional mandate, and calls upon the County Assembly to adopt the findings and recommendations herein and to discharge its oversight obligations pursuant to Article 185 of the Constitution of Kenya, 2010 by ensuring the County Executive takes immediate and sustained corrective action.

HON. LUMUMBA OWADE
CHAIRPERSON: AD-HOC COMMITTEE ON OWN-SOURCE REVENUE
COUNTY ASSEMBLY OF KISUMU

LIST OF ABBREVIATIONS AND ACRONYMS

CRF	County Revenue Fund
EACC	Ethics and Anti-Corruption Commission
ELC	Environment and Land Court
ERP	Enterprise Resource Planning
IFMIS	Integrated Financial Management Information System
IPOA	Independent Policing Oversight Authority
IRMS	Integrated Revenue Management System / Kisumu Revenue Management System
KPIs	Key Performance Indicators
KRB	Kisumu County Revenue Board
MCA	Member of County Assembly
OSR	Own-Source Revenue
PFM Act	Public Finance Management Act, 2012
PPADA	Public Procurement and Asset Disposal Act, 2015
SBP	Single Business Permit
SACCO	Savings and Credit Cooperative Organisation
USSD	Unstructured Supplementary Service Data

PART I

ESTABLISHMENT, MANDATE, COMPOSITION AND TERMS OF REFERENCE

1.1 Establishment of the Committee

Mr. Speaker and Honourable Members,

1. The Ad-Hoc Committee on Own-Source Revenue (hereinafter referred to as "the Committee") was duly constituted under the Third Assembly of the County Assembly of Kisumu during the Fifth Session, in accordance with Article 185(3) of the Constitution, 2010, sections 8 (1) (b) and 14(1) (b) read together Standing Order No. 193 of the Kisumu County Assembly Standing Orders. The Committee was formally appointed on 23rd February 2026, with an initial defined operational period of sixty (60) days, expiring on 23rd April 2026.

2. The Committee therefore derives its constitutional and statutory mandate from: Article 185(3) of the Constitution of Kenya, 2010 (oversight authority over the County Executive); Article 195 (powers to summon witnesses and compel production of documents); Sections 8 and 14 of the County Governments Act, 2012; Sections 107, 109, 132, 157 and 160 of the Public Finance Management Act, 2012; the County Assembly Powers and Privileges Act, 2017; and Standing Order No. 193 of the Kisumu County Assembly Standing Orders.

3. The establishment of the Committee was precipitated by growing and well-founded concerns within the County Assembly regarding the persistent underperformance of Kisumu County's Own-Source Revenue against approved annual targets. This Honourable House noted with grave disquiet that OSR performance had repeatedly plateaued at approximately sixty-five per cent (65%) of the annual target of Kshs. 3.6 billion, resulting in a structural budget deficit that has progressively constrained the County's capacity to implement development projects and discharge its service delivery obligations.

4. Following a determination by the Committee, supported by the House in accordance with a motion on the Committee's Progress Report moved in this House on the Wednesday 18th February, 2026 that substantial investigative work remained outstanding and that critical stakeholders had yet to be engaged, the mandate of the Committee was extended by one (1) month with effect from 23rd April 2026, bringing the total operational period to 26th May 2026.

1.1 Composition of the Committee

1. The Committee was composed of the following Honourable Members:

Hon. Lumumba Owade, MCA
South East Nyakach
CHAIRPERSON

Hon. Millicent Omuya, MCA
North Seme
VICE CHAIRPERSON

Hon. Kennedy Ouko, MCA
West Kisumu
MEMBER

Hon. Regina Kizito, MCA
Nominated
MEMBER

Hon. Reuben Rakwach, MCA
Kolwa
MEMBER

Hon. Samuel Onyango, MCA
Railways
MEMBER

Hon. Jennifer Obonyo, MCA
South West Kisumu
MEMBER

Hon. Alice Wajewa, MCA
Nominated
MEMBER

Hon. Boitone Ratib, MCA
Nyalenda A
MEMBER

Hon. James Omollo, MCA
West Nyakach
MEMBER

Hon. Benny Pete, MCA
Kabonyo Kanyagwal
MEMBER

Hon. Bill Oliver, MCA
Kobura
MEMBER

Hon. Fredrick Adonijah, MCA
Chemelil

MEMBER

The Committee Secretariat is composed as follows:

Srl No.	G.0 Committee secretariat	Technical Analysis team
1.	Adv. Nashon Kusina	1. Mr. Felix Owuor (CPA) – Finance and Accounting
2.	Mr. Peter Anditi	2. Ms. Roseline Awuor – Human Resource
3.	Mr. Harman Moses	3. Mr. Edwin Omolo – Budget and Appropriations
4.	Ms. Angelyne Obonyo	4. Mr. Austine Ochieng' – Audit
5.	Mr. Patrick Okoyo	5. Mr. Zablon Otiende -Budget and Appropriations
6. -	Ms. Faith Judith	6. Ms. Nyamita Ivor Aska – Legal
7.	Mr. Denis Ogola	7. Mr. Kephas Onoka (CPA) – Fiscal Analysis
		8. Ms. Mollen Achayo (CPA) – Budget Analysis
		9. Mr. Fredrick Owido – ICT

1.2 Terms of Reference

Mr. Speaker and Honourable Members,

2. The Committee was charged with conducting an inquiry into the following thematic areas:

   i. **Legal and Policy Framework:** A review of the adequacy of County Finance Acts over the last five financial years, regulatory alignment with the Constitution and the PFM Act, the status of the Valuation Roll under the Valuation for Rating Act (Cap. 266), and compliance with court rulings affecting revenue collection.

   ii. **Revenue Performance and Root Cause Analysis:** Analysis of variances between projected targets and actual collections for the last five financial years, and evaluation of sectoral underperformance across property rates, trade licences, market fees and parking fees across all thirty-five wards.

   iii. **Revenue Administration and Automation Audit:** Investigation into the end-to-end governance of the Integrated Revenue Management System (IRMS), its integration status with IFMIS and other financial systems, and auditing of the process by which collected funds are swept into the County Revenue Fund (CRF) in compliance with Section 109 of the PFM Act.

iv. **Accountability and Leakage Investigation:** Investigation of incidences of manual receipting, off-system payments and identification of specific parties accountable for revenue losses.

v. **Institutional Capacity and External Factors:** A review of the structure, skill gaps and productivity of the Revenue Directorate, and an assessment of the ease-of-doing-business framework and its impact on taxpayer compliance.

1.4 Specific Objectives of the Inquiry

3. In furtherance of the foregoing, the Committee was tasked with the following specific objectives:

    i. To determine the root causes of the structural resource gap projected for the FY 2026/27 budget cycle;

    ii. To identify systemic weaknesses and corruption risks at revenue collection points across the County;

    iii. To propose legal, administrative and technological reforms including full automation of unstructured revenue streams; and

    iv. To recommend specific disciplinary or legal remedies for proven negligence or wrongdoing under Section 197 of the PFM Act.

1.5 Meetings and Activities of the Committee

4. The Committee held a total of twenty-two (22) formal sittings between 23rd February 2026 and 12th May 2026. In addition to its formal deliberative sittings, the Committee conducted impromptu oversight visits, field verification exercises and a benchmarking study. The stakeholders engaged by the Committee include:

    i. The Kisumu County Revenue Board (KRB), its Chief Executive Officer and technical staff;

    ii. The Director, ICT and ICT Directorate officials;

    iii. The County treasury;

    iv. The Kisumu City Board, its Chairperson, City Manager and Board Members;

    v. The Kisumu County Alcoholic Drinks Control Fund Administrator and Sub-County Liquor Licensing Boards;

vi. Charcon Properties Limited;

vii. Sub-County Revenue and Enforcement Officers from all seven sub-counties;

viii. Ward Revenue Officer, Milimani Market (payment system demonstration);

ix. The County Assembly ICT Officer (technical IRMS audit); and

x. Resigned and serving members of the Kisumu County Revenue Board.

xi. The County Attorney

xii. Chief of Staff

xiii. The County Secretary

xiv. Safaricom

xv. Rev Tech

5. The Committee also conducted the following field visits:

i. Kibuye Market — field verification visit on 29th March 2026 (early morning from 5:40 a.m.);

ii. Kombewa Market — field verification visit on 27th March 2026;

iii. Muhoroni Sugar Company (2025) — site visit for cess inquiry;

iv. Chemelil Sugar Company — site visit for cess inquiry;

v. Outdoor advertising sites — inspection for billing compliance; and

vi. Benchmarking visit to Kiambu, Murang'a and Laikipia Counties.

PART II

WORKPLAN AND INVESTIGATIVE METHODOLOGY

2.1 Overview of the Workplan

Mr. Speaker and Honourable Members,

6. The Committee adopted a structured Comprehensive OSR Investigation, Diagnostic and Reform Workplan, organised into thematic phases designed to ensure a systematic, evidence-based and outcome-oriented investigation. The methodology encompassed formal deliberative sittings and hearings, technical briefings, impromptu oversight inspections, ICT system audits, field verification exercises and a benchmarking study.

2.2 Phased Implementation

Phase	Period	Focus Area	Status
I	Weeks 1–2	Inception, stakeholder engagement, document collection, Revenue Board deliberations	Completed
II	Weeks 3–4	ICT audit, system review, financial performance analysis, benchmarking study	Completed
III	Weeks 5–6	Field verification visits, market inspections, site sampling exercises, sugar factory visits	Completed
IV	Weeks 7–8	Legal framework analysis, accountability assessment, synthesis of findings	Completed
V	Weeks 9–12	Report drafting, evidence consolidation, tabling of Final Report before the Assembly	Completed

PART III

CONSTITUTIONAL AND LEGAL FRAMEWORK GOVERNING OWN-SOURCE REVENUE

Mr. Speaker and Honourable Members,

7. The administration and collection of Own-Source Revenue by the County Government is governed by the Constitution of Kenya, 2010 and various national and county statutes regulating public finance, taxation, procurement and governance. The Committee considers it essential that the House be apprised of this framework as it underpins many of the findings and recommendations contained in this Report.

    i. Article 1 of the Constitution vests sovereign power in the people of Kenya, delegated to State organs at both national and county levels. The County Government accordingly exercises revenue-raising authority in trust for the people and is obligated to administer public revenue lawfully, transparently and accountably.

    ii. Article 10 binds all State organs and public officers to national values and principles of governance including the rule of law, transparency, accountability, integrity, public participation and good governance. These principles apply directly to the enactment, collection and administration of county revenue.

    iii. Articles 27 and 28 guarantee equality before the law and protection of human dignity, requiring that revenue collection measures be implemented fairly, lawfully and without exploitation or abuse of citizens.

    iv. Article 43 guarantees economic and social rights, including rights to clean and safe water, reasonable standards of sanitation and the highest attainable standard of health, creating reciprocal service delivery obligations upon the County Government in respect of markets and trading centres from which revenue is collected.

    v. Articles 174 and 175 require county governance to be conducted in a transparent, accountable and participatory manner. Article 185 grants County Assemblies authority to enact legislation necessary for effective discharge of county functions, forming the constitutional basis for the Kisumu County Finance Act and the Kisumu County Revenue Administration legislation.

    vi. Article 207 requires all county revenue to be paid into the County Revenue Fund and only withdrawn in accordance with the law, while Article 209 authorises county governments to impose property rates, entertainment taxes and charges for services

rendered. Article 210 expressly prohibits the imposition, waiver or variation of taxes except as authorised by legislation.

vii. Article 226 imposes personal accountability obligations on public officers responsible for unauthorised expenditure or loss of public resources. Article 227 requires public procurement processes to be fair, transparent, competitive, equitable and cost-effective.

viii. The Public Finance Management Act, 2012 (PFM Act) imposes strict obligations on county entities in respect of revenue collection, sweeping of funds to the CRF (Section 109), reporting to the County Treasury and County Assembly (Section 166), and accountability for financial misconduct (Section 197).

ix. The Kisumu County Revenue Administration (Amendment) Act, 2022 establishes the Kisumu County Revenue Board as the principal agency responsible for county revenue collection under the supervision of the County Executive Committee Member responsible for Finance, and prescribes the composition and functions of the Board.

x. The Public Procurement and Asset Disposal Act, 2015 and Regulations, 2020 govern the County's contractual arrangements with service providers, including the agreement with Safaricom PLC. Regulation 75 of the Regulations prohibits material modification of contracts post-award.

xi. The Data Protection Act, 2019 imposes obligations in relation to the processing of personal and financial data, directly applicable to the operations of the IRMS given the volume of taxpayer data processed through the system.

PART IV

REVENUE PERFORMANCE AND ROOT CAUSE ANALYSIS

INTEGRATED AUTOMATED REVENUE MANAGEMENT SYSTEM (IRMS)

Mr. Speaker and Honourable Members,

8. The Committee dedicated a substantial portion of its investigations to the Integrated Automated Revenue Management System (IRMS), the digital platform contracted by the County Government of Kisumu to automate and digitise its Own Source Revenue collection. This Section examines the circumstances of the system's establishment, the procurement and tendering process, execution of the contract by Safaricom PLC and its sub-contractor RevTech (Rev Tech Innovation Limited), the management and governance of the system during its operational life, its performance against objectives, the technical audit findings, and the accountability failures arising from the system's administration.

4A.1 Establishment of the IRMS

Background and Rationale

9. The County Government of Kisumu initiated the procurement of an Integrated Automated Revenue Management System as part of its broader strategy to modernise Own Source Revenue collection, eliminate cash-based revenue handling, improve real-time reporting, and seal documented leakages in the manual collection system. Prior to the IRMS, the County's revenue administration was characterised by manual receipting, inadequate audit trails, and significant opportunities for revenue diversion at the collection point.

10. The system was intended to provide a fully integrated, cashless revenue collection platform covering all major OSR streams including markets, parking, bus park, Single Business Permits, Outdoor Advertising, Land Rates, Physical Planning and e-Construction, and to support enforcement through real-time data access and geospatial mapping. The platform was procured as a Software-as-a-Service (SaaS) arrangement, meaning the County would not own the software but would pay for its use on a commission-plus-service-fee basis.

11. The IRMS contract was awarded to Safaricom PLC and went live from 18th December 2023, with an initial focus on unstructured revenue streams. The decision to adopt a SaaS model with a revenue-sharing commission was a significant policy choice that, as the Committee's review has established, carried substantial uncapped financial risk for the County.

Committee Finding

12. The Committee finds that the SaaS commission-based model adopted without any cap, performance linkage or sunset provision created an open-ended and escalating financial obligation that was not adequately risk-assessed at the procurement stage.

4A.2 Tendering Process

17. The IRMS was procured through Tender No. CGK/FIN/OP/2023-2024/005, titled "Supply, Delivery, Design, Development, Installation, Deployment, Testing, Commissioning and Maintenance of a Fully Automated and Integrated County Revenue Management System." The tender was published with a submission deadline of 31st August 2023.

18. The contract was signed on 31st October 2023, with the Chief Officer for Finance and the County Attorney as County signatories. The Committee notes that the County Attorney, as a signatory to the contract, bears professional responsibility for ensuring the contract's compliance with procurement law; responsibility that must be examined in light of the post-award commission introduction.

19. The tender specifications required delivery of a comprehensive system including: automated IFMIS integration; GIS and Mapping integration; an e-Construction module for Physical Planning; full cashless payment channels; enforcement support capabilities; a Self-Service Portal; and real-time reporting dashboards. As of the date of this Report, several of these contractual deliverables remain undelivered or non-functional.

4A.3 Contract Execution — Safaricom PLC and RevTech

20. The contract was executed between Safaricom PLC and the County Government of Kisumu. RevTech (Red Tech Innovation Limited, referred to as 'RTI') is not a direct party to the County-Safaricom agreement but is explicitly referenced in Clause 5H of the Agreement as a named partner. RevTech owns the intellectual property rights to the BILA software, while Safaricom holds an exclusive, non-transferable licence to use it. Safaricom PLC is the principal contractor and bears all liabilities related to the system under the County contract. The existence of a backend sub-contractor with IP ownership introduces a significant risk to the County: if either Safaricom's licence or its relationship with RevTech is terminated, the County's access to the system software is immediately at risk.

21. The contract did not designate specific County officers for day-to-day communication, only listing the signatories. This structural omission meant that any County officer could formally communicate with Safaricom, including authorising system changes or data modifications. The Committee finds that this design flaw directly enabled the issuance of unauthorised data deletion instructions by Revenue Board personnel, as documented in the findings relating to the 887,086 archived transactions.

22. Implementation was executed in three phases as confirmed by Safaricom PLC in its formal response to the Committee dated 18th May 2026 (referenced CAK/AD-

HOC/OSR/008/2026). Phase 1 (unstructured revenue streams) and Phase 2 (structured streams) are confirmed 100% complete. Phase 3, comprising GIS/Mapping integration, e-Construction, Hire of County Assets, and remaining Outdoor Advertising integration, stands at 96% completion, with finalisation pending the County's provision of GIS cadastral data.

The implementation phase table below summarises the status:

Phase	Revenue Streams Covered	Status	Payment / Dispute Status
Phase 1	Unstructured: Markets, Parking, Bus Park (live from 18 Dec 2023)	100% Complete	Paid
Phase 2	Structured: Single Business Permits, Land Rates, Outdoor Advertising	100% Complete	Paid
Phase 3	GIS/Mapping, e-Construction, Hire of County Assets, Outdoor Advertising integration	96% Complete	Pending — County yet to provide GIS cadastral data
SaaS Commission (4%)	**All revenue streams through IRMS**	**Partially Paid**	**Paid: July 2024–May 2025 (11 months). Disputed: Dec 2023–June 2024. Unpaid: June 2025–date**

23. Despite Phases 1 and 2 being declared complete, the Committee established through its technical audit that deficiencies persist in the operational system, including: suspension of the SelfService Portal; restriction of the USSD channel (*427#) to only Parking, Bus Park and Cess; absence of automated reconciliation; and test data in the live production environment from the test period.

Committee Finding

24. The Committee makes findings as follows:

    i. That the contractual design allowing any County officer to communicate with Safaricom was a critical governance flaw that facilitated the unauthorised data deletion directives.

ii. That Phase 3 deliverables have been outstanding for over a year partly due to the County's failure to provide GIS cadastral data, while the County has continued paying SaaS commissions on a partially delivered system.

4A.4 System Shutdown

25. In February 2026, Safaricom PLC suspended the IRMS following the County's failure to settle outstanding contractual obligations. The accumulated arrears comprised approximately Kshs. 27,000,000 in SaaS commissions charged at four per cent (4%) of revenue collected through the platform and a further Kshs. 5,300,000 for auxiliary services including internet connectivity and system maintenance, totaling about Kshs. 32,000,000.

26. The invoices substantiating the arrears include Invoice No. 2738 dated 21st April 2026 (Kshs. 13,546,887.00 excluding VAT; Kshs. 15,714,388.92 inclusive of 16% VAT) for 'Billing of SaaS (RMS Revenue Share) up until January 2026'; and Invoice No. B1-30022081830 dated 1st August 2025, billing Kshs. 23,227,300.00 for the monthly service fee for the period 1st to 31st July 2025. These figures confirm that the four per cent (4%) commission grows proportionally with revenue collected, making it an escalating and uncapped obligation.

27. The financial impact of the shutdown is set out in the table below:

Invoice / Period	Amount (Excl. VAT)	Amount (Incl. 16% VAT)
Invoice No. 2738 — 21st Apr 2026 'SaaS RMS Revenue Share up to Jan 2026'	Kshs. 13,546,887.00	Kshs. 15,714,388.92
Invoice No. B1-30022081830 — 1st Aug 2025 (1st – 31st July 2025 monthly service fee)	Kshs. 23,227,300.00	Kshs. 23,227,300.00
Total arrears triggering system shutdown	**Approx. Kshs. 32,000,000**	**(Commissions Kshs. 27M + Services Kshs. 5.3M)**

Period	No. of Days	Revenue Collected (Kshs.)	Daily Average (Kshs.)
8 days pre-shutdown	8	46,990,830.80	6,691,132.97

4 days of system shutdown	**4**	**12,252,765.55**	**3,025,847.64**
7 days post-restoration	7	24, 609,237.50	3,516,301.07
Revenue lost vs pre-shutdown	**—**	**Kshs. 34,734,540.25 (est.)**	**74% decline (shutdown period)**

28. Formal demand notices had been duly issued to the County Treasury prior to the suspension, yet the contractual obligations were not settled in a timely manner. Reconciliation was conducted only on a quarterly basis, a structurally deficient arrangement that contributed to the progressive accumulation of arrears. The Committee finds that responsibility for the shutdown rests primarily with the CECM Finance and the County Treasury for failure to honour a known contractual obligation for which formal notice had been given.

Committee Finding

29. The Committee finds that the IRMS shutdown of February 2026, which caused a seventy-four per cent (74%) collapse in daily revenue collections over four days and a sustained depression of collections in the weeks following restoration, was directly caused by the County's failure to honour its contractual obligations. The shutdown was foreseeable, preventable, and attributable to systemic failures in contract management and payment authorisation within the CECM Finance's department.

4A.5 System Management — Access, Governance and Controls

30. The Committee established significant failures in the governance and management of the IRMS during its operational lifetime. From December 2023 to June 2024; the first full year of operation; County staff were granted access only to the application-side user interface. Safaricom PLC withheld backend environment access during this period, meaning the County had no ability to independently audit, verify or investigate the integrity of transaction data for the entire first year.

31. It was only following the emergence of revenue leakage allegations in mid-2024 that Safaricom agreed to grant Read-Only backend access to four designated County officials ie:

    i. Mr. George Okong'o, - The CECM for Finance

    ii. Ms Maurine Awuor - the Director ICT,

iii. Mr. Stephen Agalo - the Deputy Director ICT, and

iv. Mr. Ceaser Magak - ICT Officer from the Revenue Board.

Backend training was not finalised until March 2025. This arrangement meant that for the first fifteen (15) months of system operation, the County was effectively blind to system-level data.

32. In September, 2024 the County instructed Safaricom PLC to remove duplicated and unpaid invoices from the system. The resulting exercise involved the archiving of approximately 887,086 transactions at the request of Revenue Board personnel. The request was made in a letter dated 6th September, 2024 by the former Acting CEO, the late Dr. Benter Omollo instructing Safaricom as follows: (*See Annex* 32).

i. All unpaid invoices for **unstructured revenue streams** which have accumulated since December, 2023 to September, 2024 be removed from the system because this is money that cannot be collected.

ii. The IRMS system be set in such a way that all unpaid invoices for unstructured revenue streams to be automatically cleared/ removed from the system after 24 hours.

iii. Clean up and filter the system to only provide reports of the genuine unpaid invoices for structured revenue streams. There are cases of repeated same unpaid invoices more than once even 20 times. There is need to remove the repeated unpaid invoices so that only one genuine unpaid invoice is reflected in the system for structured revenue stream.

iv. The system be set in such a way that it can only generate a unique ID once. Once this ID is generated, it cannot repeat itself. We need the invoices generated even if the users and revenue staff click even 50 times. This is to avoid duplications.

v. Even in cases of network issues, invoices should be generated only once. Let this be set automatically in the system.

vi. There should be ledgers for structured revenue such as land rates, rent, licenses, etc. for proper record keeping and references during payments.

vii. For each revenue stream performance tracking, the following revenue streams should be set up independently and distinctly in the ++ system: Tuktuk, motorbikes (boda boda), reserved parking slots, clamping fees).

viii. Safaricom team to ensure there is no downtime at system, bank and MPESA levels. Even if there is downtime then the system should remember and avoid repeating invoices.

ix. Improve on the system technical issues and support for efficient revenue collection and reporting.

33. The committee notes that Safaricom PLC acting on instructions to delete unpaid unstructured invoices proceeded to archive the transactions as confirmed in the Minutes dated 2nd October, 2024 and subsequent email correspondence dated 11th October, 2024 from Safaricom PLC to the County Government of Kisumu. Safaricom further confirmed that upon request by the County Government, the records and links relating to the removed transactions were shared with the County for verification and reconciliation purposes.

34. Pursuant to a letter dated 22nd May, 2026 (see annex 33) from Safaricom addressed to the Committee; the committee was informed as follows:

i. That the removal activity was not undertaken arbitrarily or unilaterally by Safaricom PLC or its technology partner Revtec but through an instruction by the Board vide the letter dated 6th September, 2024;

ii. That the removal was conducted on 9th September, 2024 in which 3,366 invoices amounting to Kshs. 131,580,713.04 were removed from the system and this included unpaid but payable invoices;

iii. That actions undertaken in the removal included;

a) Identified invoices which were archived to preserve data integrity;

b) Records which were subsequently removed from the active invoicing table;

c) Invoices which became inaccessible via the system portal dashboard and

d) All affected records comprising unpaid invoices only.

iv. That Revtec inadvertently archived both unpaid structured and unstructured invoices as opposed to only unstructured invoices as per the request from the County Government of Kisumu;

v. That restoration of the data was completed on 2nd October, 2024.

35. Upon further scrutiny of the archived data presented before the Committee by Safaricom, the committee established as follows;

i. That vide the instruction issued by the Acting CEO for the Revenue Board on the 6th September, 2024, Safaricom was only instructed to remove all unpaid invoices for unstructured revenue streams which had accumulated since December, 2023 to September, 2024 from the system because this was money that could not be collected. However, Safaricom inadvertently removed both the unpaid structured and unstructured invoices from the active invoicing table to

the archive table which was later restored on 2nd October, 2024. Meaning from 9th September, 2024 to 2nd October, 2024, a period of 23 days, the County Government of Kisumu was incapable of managing and administrating the removed payable structured invoices.

ii. That vide the letter dated 22nd May, 2026 from Safaricom only 3,366 invoices amounting to Kshs. 131,580,713.40 were removed from the system. However, the received archived data from Safaricom indicated 4,062 invoices in which the system logs provided an unpaid invoice amount indicated in the system as Kshs. 4,000,000,000,301,820,000 (*See Invoice No. BLL0731111438182 and the excel sheet of the restored data)- Annex- 35* (*this amount is evidently a mathematical impossibility*) to have been purportedly archived. The Committee therefore raises doubt on the authenticity of the archived data presented before it by Safaricom as the full extent of the data that were archived. The Committee is therefore unable to verify the quantity of the archived data since Safaricom with its conflicting data report has not extensively clarified whether or not the removed and archived invoices were actually 3,366 or 4,062; or the County's alleged 887,086 removed invoices.

36. The County thereafter sent a formal demand letter to Safaricom PLC dated 10th February, 2025 alleging that as at 20th September, 2024, there were 887,086 transactions missing with an estimated value of Kshs. 273,000,000. Subsequently, Safaricom, on 3rd March, 2025 responded that it was "not aware of any missing transactions" and requested for more information to facilitate a thorough investigation.

4A.6 System Performance and Technical Audit Findings

37. The Committee undertook a dedicated technical interrogation of the IRMS through formal briefings by the Revenue Board's ICT Officer and through a technical audit conducted by the County Assembly's ICT Officer, who was granted auditor-role access right to the system. The Committee engaged professional ICT audit resources to produce a formal audit report (ICT Audit Report; Kisumu County Integrated Revenue Management System (IRMS), May 2026).

38. The IRMS confirmed capabilities include: dashboard for daily, monthly and financial year revenue collection, performance in terms of active users, dormant users and daily targets for each revenue officers, financial bill mapped into the system, paid and unpaid invoices, waivers, land and plot rates, housing register, business licenses, reporting and revenue streams and multiple payment channels including Paybill (425542), USSD code (*427#), KCB and Co-operative Bank integration, and approximately 300 to 400 mobile devices deployed to field collectors. However, the IRMS is not fully integrated as confirmed by Safaricom because some modules like citizen portal were suspended by the Directorate of ICT because of an alleged misuse by citizens. At the interim, members of the public are expected to physically visit the Revenue Board to apply for their business permits.

39. The system is ISO 27001 certified for information security and is hosted in a cloud-based Virtual Data Centre with a Primary Site in Nairobi and a Disaster Recovery Site in Kiboswa, Kisumu. The Committee notes, however, that the ISO 27001 certification is contradicted by the existence of two Super Administrators' accounts who are able to manipulate the entire system.

40. The formal ICT audit identified the following eight (8) critical findings, set out in the table below:

Finding	Issue	Evidence	Implication
F-01	Critically high unpaid invoice volume with suspicious patterns	Kshs. 43,100 in sampled unpaid bus park invoices (March 2026); Jackson Otieno — consecutive unpaid invoices at 1–2 min intervals (IT Annex 1)	Suggests systematic invoice abuse and revenue diversion by field collectors on a daily basis.
F-02	Untraceable confirmed M-PESA payments	M-PESA payments of Kshs. 7,050 on 17th April, 2026 and Kshs. 11,000 on 6th May, 2026 confirmed paid but absent from IRMS (IT Annex 7)	Revenue received by County but not recorded — gap between bank and IRMS
F-03	Mass unreceipted transactions	27 Mar 2026: 396 unreceipted transactions of a total of Kshs. -6,397,279 (IT Annex 3)	Revenue attributed to no stream — impossible to audit or reconcile
F-04	Non-compliance with Kisumu County Finance Act, 2025 — fuel stations	Fuel stations of different number of pumps/nozzles are not billed in accordance with the Finance Act. For instance, some were billed as less as Kshs 5000 against the stipulated Kshs. 70,000 for Stations with less 1-3	Systematic undercharging; revenue loss and arbitrary billing

		pumps/nozzles or Kshs. 150,000 for the case of fuel stations having more 3 and above pumps/nozzles. (IT Annex 8)	
F-05	Widespread parking non-compliance	155 vehicles inspected (6 & 13 May 2026): only 17 (11%) confirmed paid. Obote Road: zero of 20 vehicles paid (IT Annex 9)	89% of inspected vehicles unpaid — systematic enforcement failure
F-06	Presence of test data in live production system.	Most records are described as a test in life production environment; (IT Annex 4 & 5)	System integrity compromised; real money transacted against test entries
F-07	Unrealistic and suspect revenue targets	Collectors assigned Kshs. 0 daily targets; collectors with no zone; suspiciously uniform amounts by different collectors in same zone/day (IT Annex 2)	Target-setting used to mask low performance or conceal diversion
F-08	Two Super Administrator accounts rights	Both accounts can create, modify or delete any invoice or payment record without restriction — contradicts Safaricom's ISO 27001 and RBAC claims (IT Annex 6)	Critical breach of least-privilege principle; enables undetected data manipulation

F-09	No input data validation	Presence of invalid data in the system (IT Annex 4, BLL0731111438182	Interferes with the data integrity and system susceptible to MSQL injections.

41. The Committee finds that the IRMS contains technical vulnerabilities; including absent input validation, test data in the live production environment, mass unreceipted transactions, and systematic parking non-compliance. These findings highlight the need for strengthened system governance, enhanced operational controls, and improved enforcement measures to support the integrity and reliability of the County's revenue management processes. The Committee further notes that field observations pointed to instances of off-system cash collection, underscoring the importance of ongoing reforms and system enhancements to ensure the IRMS operates as a more accurate and comprehensive revenue management platform.

42. Beyond the nine formal ICT audit findings, the Committee documented additional operational deficiencies: the Self-Service Portal had been suspended; the USSD channel (*427#) was limited to Parking, Bus Park and Cess only; some payment postings take multiple days to reflect in the IRMS (see IT Annex 7), impairing reconciliation; collectors assigned zero daily targets existed in the live system; and consistent underperformance as low as eighteen per cent (18%) of expected daily targets was documented.

Committee Finding

43. The Committee finds that the IRMS contains critical technical vulnerabilities; including unrestricted Super Administrator access, absent input validation, test data in the live production environment, untraceable M-PESA payments, mass unreceipted transactions, and systematic parking non-compliance; that collectively mean the system cannot currently be relied upon as an accurate or complete representation of the County's revenue transactions. These findings are consistent with the Committee's field evidence of widespread off-system cash collection.

4A.8 Legal Analysis — Safaricom PLC Contract Review

44. The Committee undertook a detailed review of the agreement between the County Government and Safaricom PLC. The review identified the following material contractual vulnerabilities, each of which exposes the County to legal, financial or operational risk:

45. **Absence of measurable KPIs:** The agreement lacks clearly defined, legally measurable Key Performance Indicators, measurable deliverables and independently verifiable performance benchmarks, limiting the County's ability to enforce accountability for non-performance.

46. **Uncapped 4% SaaS commission:** The agreement imposes a recurrent charge of four per cent (4%) on gross revenue collections without any cap, performance linkage or mechanism for downward revision, exposing the County to escalating financial obligations irrespective of actual system efficiency.

47. **Inadequate liability framework:** The vendor's aggregate liability is capped at the total contract price, with indirect and consequential losses excluded. Standard exceptions ordinarily preserved outside liability caps; including fraud, gross negligence and data protection breaches; were not expressly preserved, leaving the County without remedy for precisely the categories of loss that have materialised.

48. **Data Protection Act non-compliance:** The agreement inadequately addresses obligations under the Data Protection Act, 2019, notwithstanding the substantial volumes of sensitive personal and financial taxpayer data processed through the system.

49. **No liquidated damages:** The contract does not provide for retention sums, liquidated damages for system downtime, or penalties for non-performance by the vendor.

50. Safaricom PLC confirmed in its formal response (18th May, 2026) that it was prepared to upgrade from the existing IRMS to the 'MyCounty Pay' platform and is available to demonstrate that this upgrade has the necessary requirements as per the needs of the County; with a proposed phased transition from March to July, 2026. The Committee notes that the capabilities and applications of the proposed 'MyCounty Pay 'platform be submitted to the County Assembly for information before launch.

51. As of the date of this Report, the contract is scheduled to expire on 30th November 2026. The Committee is firmly of the opinion that the material contractual vulnerabilities identified in this report be remediated in upon expiry of the current contract.

Committee Finding

52. The Committee finds that the Safaricom PLC contract contains multiple material vulnerabilities including an unsustainable commission, inadequate liability provisions, no liquidated damages for downtime, and no structured exit framework. These deficiencies, taken together, represent a systematic failure of contract management by the County's legal and finance functions.

4A.7 Bank Account Integrity and Reconciliation Failures

53. The Committee reviewed KCB bank statement records and identified suspicious transactions and systemic reconciliation failures that warrant forensic investigation. The key findings are set out in the table below:

Date	Transaction	Reference	Concern
19 Jan 2024	Cash deposit Kshs. 11,600 → immediate reversal → re-deposit same day	S81901327	Pattern warrants forensic investigation
July 2024 (multiple dates)	Operations account not fully swept to CRF daily	KCB statement	Significant residual balances; breach of PFM Act s.109(4)(b)
27 Mar 2026	200+ unreceipted transactions incl. Kshs. 1,035,434 / Kshs. 500,000 / Kshs. 460,000	IRMS Annex 3	No sub-county/ward attribution; no receipt issued

54. The Committee further established that reconciliation between the County and Safaricom PLC was conducted only quarterly, a structurally deficient arrangement. The gap between between twenty-one (21) and twenty-three (23) hospital Paybills operating outside the IRMS; accounting for Kshs. 1,932,649,051 in FY 2024/2025; means the dominant driver of OSR growth is entirely outside the automated reconciliation framework.

55. The mismatch between the approved budget figure of Kshs. 3,804,073,100 for FY 2024/2025 (Budget Implementation Report, Quarter 4) and the actual collections of Kshs. 2,463,027,946 represents a sixty-five per cent (65%) performance rate. Simultaneously, the Revenue Board CEO's performance contract target of Kshs. 2.1 billion created a discordance of Kshs. 1.5 billion against the approved budget of Kshs. 3.6 billion for FY 2025/2026; an institutionalised underperformance target.

Committee Finding

56. The Committee finds that the failure to sweep daily collections fully to the County Revenue Fund account contravenes Section 109(4)(b) of the PFM Act; the quarterly reconciliation cycle is structurally inadequate and has enabled the accumulation of arrears; and the deliberate alignment of the CEO's performance contract at Kshs. 2.1 billion against a budget of Kshs. 3.6 billion institutionalised underperformance and created a governance contradiction that cannot have been accidental.

4.15 Consultative Meeting with Safaricom PLC and RevTech — Sitting No. 23, 20th May 2026

57. The Committee held Sitting No. 23 on Wednesday, 20th May 2026 at 10:30 a.m. at Shiloah Boardroom (Ad-Hoc/OSR/5/26 (Sitting No. 23)).

Contractual Structure — Safaricom, RevTech and the County

58. The County's reliance on the Integrated Revenue Management System (IRMS) as its primary digital revenue collection platform underscores the system's central role and effectiveness in revenue administration. This was particularly demonstrated during the February 2026 system downtime, where daily collections reportedly declined by seventy-four per cent (74%) over a four-day period, illustrating the significant dependence of County revenue operations on the functionality and availability of the system. The sharp reduction in collections during the outage further supports the position that the IRMS materially enhances revenue capture, automation and accountability when operational. The Committee nonetheless notes the importance of ensuring adequate contractual safeguards, performance benchmarks, data protection measures and business continuity mechanisms in the management of such critical digital infrastructure.

Transaction Deletion, Restoration and the Kshs. 273,000,000 Claim:

59. The Committee finds, based on evidence gathered at Sitting No. 21 (14th May 2026), Sitting No. 23 (20th May 2026), and the report submitted by Safaricom PLC on 22nd May 2026, that the archiving of transactions from the IRMS was undertaken pursuant to instructions issued by officers of the County Government of Kisumu. The material presented before the Committee indicates that a total of 3,366 logs amounting to Kshs. 131,580,713.40, comprising both structured and unstructured invoices, were archived following formal requests attributed to County officials. The evidence further demonstrates that the archived logs were subsequently restored onto the system, a position confirmed through minutes shared by Safaricom PLC as well as subsequent correspondence and email confirmations acknowledging that the removed records had been reinstated within the IRMS.

60. In light of the foregoing, the Committee notes that the claim for Kshs. 273,000,000 in alleged revenue loss remains unsubstantiated, particularly in the absence of a completed reconciliation exercise, forensic audit or other conclusive evidence establishing actual loss attributable to the archived transactions. The Committee further observes that the existence of off-system cash collections, informal collection arrangements and unreceipted transactions materially undermines the ability to conclusively attribute any alleged revenue discrepancies to the IRMS itself.

System Architecture and Security

61. The ICRMS is a cloud-based Software-as-a-Service (SaaS) platform hosted locally in Kenya on Safaricom's secure infrastructure. The system is ISO 27001 certified for information security and features role-based access control, audit logging, endpoint

protection, firewalls and Security Operations Centre (SOC) monitoring. Safaricom's stated role is limited to technology provision and system operation, while the County retains responsibility for financial accountability, public finance oversight, reconciliation approvals and audit opinions. The system uses a public Pay Bill number (427) under which all payments are directed straight to the County's bank account. Privileged Identity Management (PIM) was introduced in Phase Two, granting the Director ICT (Stephen) administrative control over user access — a capability confirmed not to have been available during the initial development phase. The Committee notes that notwithstanding the ISO 27001 certification, the ICT Audit Report (May 2026) identified two Super Administrator accounts with unrestricted system access, constituting a direct contradiction of the role-based access control framework Safaricom asserts is in place (Minutes No. 5/CAK/AD-HOC/13/05/2026).

Outstanding Commitments and Action Items

62. As at the date of the sitting, the following critical deliverables remained outstanding from Safaricom PLC and RevTech: all supporting documents including evidence of data restoration and communication logs; the audit report on RevTech (RTI) user activities; the independent investigation report initiated on 12th November 2024; exact figures on the value and number of archived transactions (not estimates); full system architecture documentation, complete audit logs, and records of deleted transactions; documented delays caused by the County including late provision of APIs and hardware issues; revenue performance data for FY 2023/2024, FY 2024/2025, and the current FY 2025/2026 up to the meeting date; before-and-after system state evidence including the date of transaction restoration; and confirmation of the implementation date of the Privileged Identity Management (PIM) system. The Committee further noted that the Kshs. 8,070,079.12 in outstanding SaaS fees had gone unpaid for over a year despite Safaricom continuing to provide services, and that the County had not paid Kshs. 297,000,000 in implementation fees, creating financial strain for Safaricom (Minutes No. 5/CAK/AD-HOC/13/05/2026).

Duplicate Invoices and Reconciliation Gaps

63. Duplicate invoices arise primarily from poor network connectivity in remote areas such as Muhoroni and Kombewa, where failed transactions due to weak mobile signal lead users to re-submit requests, resulting in concurrent submissions and multiple invoice generation. Incomplete transactions caused by call interruptions, low airtime or urgency also contribute to this problem. The system has safeguards to check for existing invoice numbers but these do not eliminate duplicates entirely. Reconciliation challenges stem from unidentified bank payments lacking BLL numbers or payer details, requiring manual matching with bank statements. Integration with KCB and other banks was coordinated by the County and ICT team, but automated matching remains ineffective. A major concern raised at the sitting was the reuse of transaction IDs across multiple Single Business Permit payments, suggesting possible deliberate misuse. The system distinguishes between on-source revenue (automated) and reporting-only revenue such as hospital Paybills. While one

central Paybill (427) is officially used for county revenue, between twenty-one (21) and twenty-three (23) additional Paybills were issued to hospitals for patient fees; these are not system-integrated but are manually reported, raising serious concerns about accountability (Minutes No. 5/CAK/AD-HOC/13/05/2026).

GOVERNANCE OF COUNTY REVENUE

Mr. Speaker and Honourable Members,

64. The committee examined the legal and constitutional framework governing the Kisumu County Revenue Board, its current status and composition, the conduct of its dissolution, and the governance failures arising from the manner in which the Board and its leadership have been managed during the period under review.

4B.1 Legal and Constitutional Framework

65. The Kisumu County Revenue Board is established under the Kisumu County Revenue Administration (Amendment) Act, 2022. Section 3A (2) and Section 3(5) of the Amendment Act prescribe the statutory composition of the Board as follows:

    i. a non-executive Chairperson appointed by the Governor;
    ii. the Chief Officer responsible for Finance (ex officio);
    iii. the Chief Executive Officer (ex officio and secretary);
    iv. the County Attorney (ex officio); and
    v. five additional members appointed on the basis of expertise in accountancy, law, taxation, commerce or public administration.

66. The Board's mandate encompasses the oversight, administration and strategic direction of the County's Own Source Revenue collection, including the setting of annual revenue targets, governance of the IRMS, oversight of revenue officers, and accountability for OSR performance to the County Assembly. The Board is a statutory body whose constitution and operations are subject to the rule of law, the provisions of the Constitution of Kenya, 2010, and the obligations of public officers under the Public Finance Management Act, 2012.

67. Article 47 of the Constitution guarantees the right to fair administrative action, which requires that administrative actions affecting any person be lawful, reasonable and procedurally fair. The Fair Administrative Action Act, 2015 gives effect to this right. The right applies to Board members in respect of their appointment, suspension and removal from office.

4B.2 Current Composition and Legal Status of the Board

68. In the committee meeting held on 19th May, 2026, the County Secretary and the County Attorney informed the committee that the County Revenue Board Members appointed,

pursuant to Section 3 (5) of the Kisumu County Revenue Administration (Amendment) Act, 2022, were requested on 4th December, 2024 to step aside for investigation following an alleged loss of revenue amounting to Kshs. 273, 000,000; attributed to the execution of instructions of a letter dated 6th September, 2024 on issues raised on the IRMS from the former Acting Chief Executive Officer, the late Dr. Benter Omollo.

69. The committee notes that Dr. Hezron Mc'Obewa resigned from the Board prior to the 4th December, 2024 communication from the County Secretary.

70. In a letter dated 5th May, 2026, the committee invited the following Board members to appear for inquiry into the County's revenue stream and their management.

i.	Dr. Hezron McObewa	Chairperson
ii.	Mrs. Mary Celestine Odhiambo	Vice Chairperson
iii.	Mr. Chandrakant Devji Chhabhadia	Member
iv.	Hon. Stephen Ouma Owiti	Member
v.	Prof. Ondiek Benedict Alala	Member
vi.	Miss Mary Omondi	Member

71. As at the date of this Report, despite the Board members having stepped aside on 4th December, 2024; a period in excess of one (1) year and five (5) months: no formal investigation findings have been communicated to any of the affected members; no disciplinary proceedings have been commenced; no formal notices of removal have been issued; and no communication clarifying the status of their appointments has been provided.

72. The committee was informed that Hon. Stephen Ouma Owiti and Prof. Ondiek Benedict Alala submitted their resignation letters in March 2026, which the County Government had neither formally accepted nor responded to as at the time of the Committee's inquiry.

The current status of Board membership is summarised in the table below:

Board Member	Action Taken	Date	Current Status
Dr. Hezron McObewa (former Chairperson)	Resigned on his own motion	2024	Post vacant
Mrs. Mary Celestine Odhiambo	Requested to step aside — 4 Dec 2024	4 Dec 2024	Unresolved; no findings communicated
Mr. Chandrakant Devji Chhabhadia	Requested to step aside — 4 Dec 2024	4 Dec 2024	Unresolved; no findings communicated

Ms. Mary Omondi	Requested to step aside – 4th Dec 2024	4 Dec 2024	Unresolved; no findings communicated
Hon. Stephen Ouma Owiti	Requested to step aside; resignation submitted	Mar 2026	Resignation neither accepted nor rejected
Prof. Ondiek Benedict Alala	Requested to step aside; resignation submitted	Mar 2026	Resignation neither accepted nor rejected
Net result	**Board below statutory minimum**	**—**	**Revenue Board not properly constituted; all decisions legally vulnerable**

73. The result is that the Kisumu County Revenue Board does not currently meet the statutory threshold prescribed under the Kisumu County Revenue Administration (Amendment) Act, 2022. A technical committee under the Kenya Devolution Support Programme has been managing revenue in the Board's absence. This is not a statutory arrangement and does not substitute for a properly constituted Board.

Committee Finding

74. The Committee made the following findings:

i. That the operations of the revenue board were deliberately compromised by the unprocedural and indefinite notice from the County Secretary to the revenue board members requesting them to step aside in violation of procedures provided for in Kisumu County Revenue Administration (Amendment) Act, 2022.

ii. That the operation of the revenue board was unprocedurally delegated to a technical committee established pursuant to Kenya Devolution Support Programme without the approval of the County Assembly.

iii. That at the time of this inquiry , the County Secretary and the CEC Member for finance had not concluded the investigation on the conduct of the revenue board members indicating a deliberate and direct violation of the Kisumu County Revenue Administration (Amendment) Act, 2022.

iv. That in view of the attendant constitutional and statutory violations, all decisions and directives purportedly made by the Board or on its behalf by the technical committee during this period are legally vulnerable to challenge

The Cabinet Resolution to Dissolve the Board

75. In the committee sitting on 19th May 2026, the committee was informed that the County Cabinet had passed a resolution to dissolve the Revenue Board. This resolution was conveyed through a virtual meeting convened by the County Secretary that brought together the Board members, County Attorney and the Chief of Staff. The resolution of the cabinet to dissolve the board accordingly compelled resignation of the Board members. The County Secretary confirmed that no minutes were maintained for this virtual meeting.

CEO Appointments and Statutory Compliance

76. The Committee questioned whether CEO appointments followed the statutory procedures required by the Kisumu County Revenue Administration(Amendment) Act, 2022. The Committee observed that since its inception, the Board has not had a substantive CEO but has been served by persons appointed on acting capacity, reassigned from other departments.

77. The summary of CEO transitions is set out in the table below:

CEO / Acting CEO	Substantive Department	Appointment Method	Compliance with Statutory Process
James Kungu	Note identified	Reassignment — not competitive hire	Statutory process not confirmed
Dr. Benter Omollo (former Acting CEO — now deceased)	Chief Officer County Administration	Designation letter from County Secretary	No evidence of advertisement, CPSB recommendation or CEC appointment
Mr. Philip Adundo (current CEO)	Chief Officer Service Delivery	Reassignment — not competitive hire	Reassignment records requested but not provided

78. The Chief of Staff, Mr. Alloyce Ager, disclosed at the Committee Sitting of 19th May 2026, that the initiative to compel Board member resignations was precipitated by suspected revenue fraud. The Committee was informed that the investigation was conducted internally with the CECM Finance as team leader. The Committee however observes that this was a potential conflict of interest on the part of the CECM Finance, who holds the supervisory responsibility for the Revenue Board and thus had a direct interest in the outcome of the investigation.

79. The County Secretary confirmed that the investigation report had not been received by his office as of the date of the Committee's sitting, thus raising serious questions about the integrity, independence and finality of the process. Some implicated staff members who were placed on compulsory leave were subsequently redeployed to other positions without any disciplinary outcome being communicated, confirmed or enforced.

Committee Finding

80. The Committee finds:

    i. That the practice of effecting CEO appointments through reassignment of officers rather than competitive recruitment, violates statutory appointment procedures, principles of good governance and perpetuates patronage over merit in the leadership of the County's principal revenue administration body.

    ii. That the internal investigation conducted by the CECM Finance into the conduct of officers under his supervision, without independent oversight or referral to the EACC or DCI, is structurally compromised and its findings cannot be relied upon.

Employees Under Investigation

81. The Committee reviewed a report dated 20th November 2024 submitted by the then Ag. Chief Executive Officer of the Kisumu County Revenue Board(KCRB) on the investigation of revenue embezzlement by employees of the Board. This report, together with the employee files subsequently provided, were submitted before a Joint Committee of Administration of Law, Justice, Good Governance and Constitutional Affairs and the Committee on Labour. The Committee notes that the scope of the Joint-Committee's preliminary findings were necessarily limited by the non-compliance of the CECM for Finance, and that a full and final determination of all issues raised remained contingent on the provision of the outstanding information. The report submitted by the Ag. CEO of the KCRB before the Committee provide a list of twenty-four (24) employees who had been adversely mentioned in connection with revenue malpractices.

82. The details of these employees, as derived from the Report and the employee files provided are set out in the table below:

S/No.	Name	Contract Date	Position	Employment Status	Period & Reasons
1.	James Agalo Otieno	21/07/2020	Support Staff (Revenue Collector)	Compulsory Leave	30 days – to pave way for further investigations
2.	Brian Okoth Ouya	12/04/2024	Sub County Revenue Officer	Leave of Absence	—
3.	Brenda Achieng' Onunga	02/07/2024	Sub County Revenue Officer	Compulsory Leave	30 days – to pave way for further investigations
4.	Ageya Collins Ochieng	05/04/2024	Ward Revenue Officer	Not indicated	Not indicated
5.	Otieno Jared Okoth	12/04/2024	Sub County Revenue Officer	Not indicated	Not indicated
6.	Josephine Aluoch Olang'o	02/07/2020	Sub County Revenue Officer	Compulsory Leave	30 days – to pave way for further investigations
7.	Mwanamisi Kinduli	—	Head of Messenger	Compulsory Leave	30 days – to pave way for further investigations
8.	Millicent Achieng' Ondiek	10/10/2020	Support Staff (Revenue Collector)	Compulsory Leave	60 days – to pave way for further investigations
9.	Ochieng' Stephen Omune	01/08/2020	Support Staff (Revenue Collector)	Compulsory Leave	60 days – to pave way for further investigations
10.	Brenda Akinyi Omondi	02/04/2024	Ward Revenue Officer	Compulsory Leave	60 days – to pave way for further investigations
11.	Everlyne Helen Osimbo	21/12/2022	Nursery School Teacher I	Compulsory Leave	30 days – to pave way for further investigations
12.	Sheila Adhiambo Onyango	01/11/2023	Senior Support Staff	Compulsory Leave	60 days – to pave way for

S/No.	Name	Contract Date	Position	Employment Status	Period & Reasons
			(Revenue Collector)		further investigations
13.	Kipkorir Richard Kirui	01/01/2021	Senior Clerical Officer	Compulsory Leave	60 days – to pave way for further investigations
14.	Kevin Omondi Ochieng	01/11/2023	Sub County Revenue Officer	Compulsory Leave	30 days – to pave way for further investigations
15.	Clifford Ochieng' Otieno	01/08/2020	Ward Revenue Officer	Compulsory Leave	60 days – to pave way for further investigations
16.	Dorah Makungu	01/01/2012	Computer Programmer II	Compulsory Leave	60 days – to pave way for further investigations
17.	Stephany Achieng' Olang'o	01/11/2023	Senior Support Staff (Revenue Collector)	Compulsory Leave	60 days – to pave way for further investigations
18.	Owiti Linus Kisero	01/08/2020	Senior Support Staff (Revenue Collector)	Compulsory Leave	60 days – to pave way for further investigations
19.	Stephen Ochieng Adhola	01/08/2020	Senior Support Staff (Revenue Collector)	Compulsory Leave	60 days – to pave way for further investigations
20.	Melkas Otieno Obara	01/08/2020	Senior Support Staff (Revenue Collector)	Compulsory Leave	60 days – to pave way for further investigations
21.	Raphael Joram Ongiri	01/08/2020	Senior Support Staff (Revenue Collector)	Compulsory Leave	60 days – to pave way for further investigations

S/No.	Name	Contract Date	Position	Employment Status	Period & Reasons
22.	Eunice Atieno Onyango	21/12/2022	Assistant Social Welfare Officer	Compulsory Leave	60 days – to pave way for further investigations
23.	Alex Mboya Ochieng'	01/08/2020	Senior Support Staff (Revenue Collector)	Compulsory Leave	60 days – to pave way for further investigations
24.	Lukas Ooko Okong'o	01/03/2001	Revenue Clerk	Compulsory Leave	30 days – to pave way for further investigations

83. The Committee observes that the information in the table above, read together with the Board's report, provides a preliminary overview of the employees under investigation. The Committee further observes the following:

    i. The employees placed on compulsory leave had been adversely mentioned in connection with "revenue malpractice," but the specific nature of the allegations against each individual employee was not fully elaborated in the documentation provided;

    ii. Two employees — Ageya Collins Ochieng (No. 4) and Otieno Jared Okoth (No. 5) — were listed without any recorded employment status or period, raising questions about whether they were notified of their inclusion in the investigation and whether appropriate administrative action was taken in respect of them; and

    iii. Brian Okoth Ouya (No. 2) is recorded as being on leave of absence rather than compulsory leave, and the basis for this distinction is not explained in the documentation provided.

Nature and Extent of the Allegations

84. The report from the KCRB states that on 19th August 2024, the Board was notified of confidential allegations of revenue malpractices involving the employees listed above. The specific nature, details, and quantum of the alleged malpractices; including the total amount of revenue suspected to have been misappropriated; are not disclosed in the KCRB's report, as the matter is recorded as still under investigation.

85. The Committee observes that the full nature and extent of the allegations remain unknown, both to the KCRB as reflected in its report, and consequently to the said Joint-Committee. This state of affairs is directly attributable to the non-submission of the final investigation report by the CECM for Finance, whose office was conducting the primary investigation. The Committee regards the absence of this critical information as a significant dereliction of duty by the CECM Finance, who has treated the alleged loss of County revenue with wanton abandon and without the urgency it deserves.

Impact on Revenue Collection

86. The KCRB's report confirms that, in order to ensure uninterrupted revenue collection services, the duties of the employees placed on compulsory leave were re-assigned to other staff members.
87. However, the Committee further observes that the full impact of the compulsory leave on revenue collection performance was not assessed by the Joint Committee, given that the CEC Member for Finance failed to submit the monthly revenue collection reports during the period which the fraud was alleged to have taken place.
88. The Committee notes that the said Joint Committee also requested payroll printouts and monthly revenue collection data from July 1, 2024 to the time of the inquiry since these documents were essential for a complete assessment of the financial impact of the alleged fraud.

REVENUE PERFORMANCE ANALYSIS

Mr. Speaker and Honourable Members,

89. This Section presents the Committee's analysis of Own Source Revenue performance across five financial years, disaggregated field verification evidence, sub-county revenue performance, and findings from engagements with the Kisumu City Board, Charcon Properties Limited and the Kisumu County Alcoholic Drinks Control Fund.

4C.1 Five-Year Own Source Revenue Analysis (FY 2020/2021 – FY 2024/25)

90. The Committee undertook a comprehensive analysis of Own Source Revenue performance over five consecutive financial years. The aggregate OSR has grown substantially — for instance from approximately Kshs. 824,875,654 in FY 2020/2021 to a provisional Kshs. 2,463,027,946 in FY 2024/25, a nominal growth of approximately one hundred and ninety-eight per cent (198.6%) over four years. Inclusive of hospital facility improvement financing fees (Kshs. 307,824,838 pending full reconciliation), total collections reach Kshs. 2,769,462,361 in FY 2024/25.

The full comparative data across key revenue streams is presented in the table below:

	ANALYSIS OF ACTUAL REVENUE PERFORMANCE FOR THE LAST FIVE (5) FINANCIAL YEARS					
S/N	**REVENUE STREAM**	**FY 2020/21**	**FY 2021/22**	**FY 2022/23**	**FY 2023/24**	**FY 2024/25**
	MAIN REVENUE STREAMS					

1	Land Rates	131,977,762	97,322,161	149,897,898	122,371,507	128,241,063
2	Rents	24,766,887	18,176,177	20,039,683	20,447,477	6,183,882
3	Trade license fees	180,419,311	174,027,421	164,156,629	192,900,477	238,540,672
4	Bus Park Fees	95,587,240	84,842,514	51,504,963	49,650,965	52,192,730
5	Boda Boda Self-Regulation	50,050				
6	Parking Fees		75,194,178	21,416,191	34,932,941	54,183,921
7	Reserved slot			5,851,300	5,416,400	6,200,000
8	Monthly Stickers			20,645,100	8,491,227	922,500
9	Clamping Fees			27,500	59,730	49,400
10	Market Fees	60,168,713	59,712,910	48,956,664	58,743,935	53,223,896
11	Stock Ring			2,681,910	1,926,953	3,149,611
12	CESS	23,748,831	8,421,827	14,036,005	51,280,480	27,361,215
13	Building Plans	21,598,678	3,861,110	907,250	29,074,445	31,846,149
14	Sign Board promotion	106,350,456	123,654,332	148,608,083	170,957,831	145,424,763
15	Livestock				7,110	
16	Sundry revenue		8,833,932	26,764,620	149,585	11,690,200
17	Public Health and Others	2,153,300		4,810,842	8,611,102	9,417,385

	Sub-Total	**646,821,228**	**654,046,562**	**680,304,638**	**755,022,164**	**768,627,388**
	REVUNE FROM DEPARTMENTS					
18	Health Medical Services	69,373,300	456,324,315	422,015,272	604,766,717	1,650,254,178
19	Agriculture, Livestock and Fisheries	9,091,136	9,418,319	3,711,768	4,690,648	3,146,576
20	Commerce, Tourism, Trade and Heritage	992,800	1,376,270	1,782,940	3,022,380	5,623,150
21	Lands, Housing and Physical Planning	75,149,925	22,980,080	30,935,996	23,992,543	793,850
22	Education, Youth, Culture and Sports		162,204	763,900	175,005	2,899,941
23	Liquor Licence		18,500,004	13,363,790	20,689,028	26,313,051
24	Roads, Energy & Mining	1,025,100	906,200	586,001		5,011,740
25	Environment	5,922,090	1,323,590		7,583,106	
26	Governance and Administration	15,375,955	4,800		23,666,397	225,722
27	Revenue from Payroll	1,124,120	34,102,687			132,350
	Sub-Total	**178,054,426**	**545,098,469**	**473,159,667**	**688,585,824**	**1,694,400,558**
	GRAND TOTAL	**824,875,654**	**1,199,145,031**	**1,153,464,305**	**1,443,607,988**	**2,463,027,946**
	APPROVED BUDGET	**1,579,172,106**	**1,984,000,003**	**2,118,837,525**	**2,282,844,694**	**3,804,073,100**
	PERFORMANCE	**52%**	**60%**	**54%**	**63%**	**65%**

91. The approved OSR budget for FY 2024/2025 was Kshs. 3,804,073,100 (Budget Implementation Report, Quarter 4). Against actual collections of Kshs. 2,463,027,946, this represents a performance rate of sixty-five per cent (65%). For FY 2025/2026, the approved budget is Kshs. 3.6 billion. The Revenue Board CEO's performance contract sets a target of Kshs. 2.1 billion, creating a deliberate institutionalised underperformance gap of Kshs. 1.5 billion.

Committee Finding

92. The Committee finds that the headline OSR growth is misleading and driven overwhelmingly by hospital fees; a stream operating entirely outside the IRMS automated reconciliation framework. Non-health OSR streams show declining or stagnant performance despite significant investment in the IRMS. The deliberate misalignment between the approved budget target and the CEO's performance contract constitutes an institutionalised mechanism for underperformance that the Committee finds indefensible and that must be corrected immediately.

4C.2 Field Verification Exercises —

Pursuant to its constitutional and statutory oversight mandate on OSR, the Ad Hoc Committee conducted various site visits to Kombewa and Kibuye markets. The purpose of the visits was to witness firsthand revenue collection processes within the markets, assess compliance with the Kisumu County Finance Act, 2025, identify operational and administrative gaps affecting revenue performance, and engage both county revenue officers and traders on the challenges affecting revenue collection and service delivery within the County.

I. **Kombewa Market, 27th March, 2026**

93. Committee conducted a field verification visit to Kombewa Market on Friday, 27th March, 2026. The findings were as follows:

Livestock Section

94. The market operates with three revenue officers collecting Kshs. 100 per head of cattle, Kshs. 50 per goat or sheep, and Kshs. 50 per animal as a movement permit. Upon interviewing the revenue officers on the daily revenue targets, Members noted lack of uniformity as each officer stated contradicting figures between Kshs. 2000-Kshs. 3000. The Committee was informed that peak revenue performance was during the festive season with collections getting to Kshs. 6000 per day. A critical observation was identified that the Kombewa livestock market operates on privately owned land, with the landowner known to interfere with revenue collection and harass revenue officers. This is a potential litigation risk which needs to be addressed.

Market Produce Section

95. The Committee was informed that daily market collections ranged from Kshs. 2,000 to Kshs. 12,000. That lorries were charged a parking fee of Ksh.200 and market fee on goods at Kshs.50 per crate. Other vendors were charged between Kshs. 20 to Kshs. 150 depending on the revenue officers' visual assessment of goods. It was further observed that traders operating small kiosks within the markets were charged a flat rate of Kshs. 50.

Single Business Permits

96. The Committee sampled four businesses premises to ascertain compliance. It was established that at the time of the exercise business owners were left with only four days to comply. However, it was observed that out of the sampled business premises, only one business entity held a valid SBP hence compliant. The Committee was informed that Single Business Permits generate approximately Kshs. 6,000,000 annually.

Key Operational Challenges Findings.

97. Challenges identified include: a high mast floodlight with only one functional bulb severely limiting evening operations; poor drainage and roof leakages; a collapsed culvert causing periodic flooding; loan sharks (shylocks) causing stall abandonment; political interference in revenue collection; revenue officers lacking adequate transport; frequent IRMS downtime; and inability to print receipts after payment.

Kibuye Market, 29th March 2026

98. The following findings were recorded by the visiting team across the different produce categories observed as at 10:30 a.m. on 29th March, 2026. The observations paint a deeply concerning picture of systemic non-compliance, revenue leakage, and the persistence of informal cash-based collection practices that undermine the integrity of the County's digital revenue management infrastructure.

Tomato Produce Vehicles

99. Five vehicles transporting tomatoes were identified and assessed during the site visit. The following table summarises the detailed findings for each vehicle:

Reg. No.	Revenue Charged?	Mode of Payment	Parking Fee?	Observations
KDT 012R	**YES**	Not confirmed	**NOT CHARGED**	Revenue charged but parking fee was not levied. Mode of payment not

Reg. No.	Revenue Charged?	Mode of Payment	Parking Fee?	Observations
				verified against IRMS.
KAM 678B	**NO**	N/A	**NOT CHARGED**	No revenue of any nature charged. Vehicle appears to have been completely bypassed by revenue officers.
KDT 248Z	**NO**	N/A	**NOT CHARGED**	No revenue charged whatsoever. Vehicle present in market without any levy being imposed.
KCE 721P	**YES**	Not confirmed	**NOT CHARGED**	Revenue charged but no parking fee collected. Mode of payment not fully established during visit.
KDT 240Z	**NO**	Likely CASH (outside IRMS)	**NOT CHARGED**	Most critical case. No revenue or parking charged for the entire month of March 2026. Last charged on 26th February 2026. Strong indicator of cash payment arrangement outside the system.

100. The findings for the tomato category reveal a deeply troubling pattern. Of the five vehicles assessed, only two (KDT 012R and KCE 721P) had any revenue charged at all, and even in those cases the charging was incomplete as the mandatory parking fee was omitted in both instances. Three vehicles – KAM 678B, KDT 248Z, and KDT 240Z – had no revenue of any kind charged against them, representing a complete revenue loss to the County for those transactions.

101. Particularly alarming is the case of vehicle KDT 240Z. IRMS records indicate that this vehicle has not been charged at all for the month of March 2026, with the last recorded charge dating back to 26th February 2026. This extended gap, spanning the entirety of the month of March at the time of the visit, is highly suggestive of a deliberate and sustained arrangement whereby the vehicle owner pays revenue in cash directly to a collection officer, with no corresponding entry made in the IRMS. This represents not merely a single instance of non-compliance but an ongoing and systematic pattern of revenue diversion that has been sustained for at least a month.

Cabbage Produce Vehicles

102. Three vehicles transporting cabbages were identified and assessed. The findings are summarised in the table below:

Reg. No.	Revenue Charged?	Mode of Payment	Parking Fee?	Observations
KCV 403W	**YES**	**CASH**	**NOT CHARGED**	Revenue collected in CASH – outside the IRMS. No parking fee charged. Direct evidence of off-system cash collection.
KDB 687F	**NO**	N/A	**NOT CHARGED**	Neither revenue nor parking fee charged. Vehicle completely unaccounted for in the revenue system.
KCC 917T	**NO**	N/A	**NOT CHARGED**	No revenue charged and no parking fee. Vehicle entirely absent from IRMS records for this visit.

103. The findings for the cabbage category are equally concerning. Vehicle KCV 403W presents the most direct and unambiguous evidence of revenue diversion: revenue was collected, but the collection was made in cash, explicitly outside the IRMS. This is a clear violation of the County's digital revenue management policy and represents the very malpractice that the Committee's inquiry has sought to investigate and document. The collection officer responsible for this vehicle knowingly accepted cash payment and failed

to process the transaction through the approved system, effectively diverting the revenue collected away from the County's consolidated fund.

104. Vehicles KDB 687F and KCC 917T were entirely uncharged, with no record of any levy – revenue or parking – being imposed on either vehicle. As with the corresponding cases in the tomato category, these vehicles benefited from what can only be described as selective non-collection, raising serious questions about the accountability and conduct of the revenue officers deployed at this section of the market.

Pineapple and Fruits Produce Vehicles

105. Two vehicles in the pineapple and fruits section were identified for assessment, namely UA 324F and UBL 163K. However, the team was unable to complete verification of the revenue status of either vehicle at the time of the observations. Both vehicles are recorded as "not verified".

106. The inability to verify the status of these vehicles may be attributable to a number of factors, including the timing of their arrival relative to the team's position in the market, the physical layout and congestion of the pineapples and fruits section, or a lack of accessible IRMS records at the time of inspection. The Committee notes that the unverified status of these vehicles does not indicate compliance; it simply means that a definitive determination could not be made during the window of observation.

Single Business Permits

107. As part of the broader compliance verification exercise, the visiting team also conducted spot checks on the Single Business Permits (SBPs) of traders operating at Kibuye Market. SBPs were captured and noted for verification against the County's business licensing records. This aspect of the visit sought to confirm that traders were operating with valid and current business licences, as required under the County's revenue and licensing framework.

Consolidated Compliance summary

108. The table below presents a consolidated compliance picture across all vehicles assessed during the site visit:

#	Reg. No.	Category	Revenue Charged?	Mode	Parking Fee Charged?
1	KDT 012R	Tomatoes	**YES**	Unconfirmed	**NO**

#	Reg. No.	Category	Revenue Charged?	Mode	Parking Fee Charged?
2	KAM 678B	Tomatoes	**NO**	N/A	**NO**
3	KDT 248Z	Tomatoes	**NO**	N/A	**NO**
4	KCE 721P	Tomatoes	**YES**	Unconfirmed	**NO**
5	KDT 240Z	Tomatoes	**NO**	**CASH (March)**	**NO**
6	KCV 403W	Cabbages	**YES**	**CASH**	**NO**
7	KDB 687F	Cabbages	**NO**	N/A	**NO**
8	KCC 917T	Cabbages	**NO**	N/A	**NO**
9	UA 324F	Pineapples/Fruits	**UNVERIFIED**	N/A	**UNVERIFIED**
10	UBL 163K	Pineapples/Fruits	**UNVERIFIED**	N/A	**UNVERIFIED**

6. Committee findings

Widespread Revenue Evasion

109. Of the ten vehicles assessed during the visit, only two – KDT 012R and KCE 721P – had any revenue charged and recorded, with KCV 403W charged via cash outside the system. This means that out of the eight vehicles for which a definitive determination could be made, five had no revenue charged at all, representing a non-compliance rate of approximately 63% among verified vehicles. When the cash collection case (KCV 403W) is included as a form of non-system compliance, the proportion of vehicles not properly processed through the IRMS rises further. These statistics point to a systemic failure in revenue collection at Kibuye Market that cannot be attributed to isolated or occasional lapses.

Universal Omission of Parking Fees

110. The Committee established that every vehicle assessed during the exercise was not charged any parking fee. This is a complete failure to collect what is a mandatory and separate levy applicable to all produce vehicles using the market. The apparent omission of parking fees across all categories: tomatoes, cabbages, and fruits by revenue officers

responsible for the respective sections suggests a deliberate and systemic practice. As a result, the County is losing a consistent and predictable stream of parking levy revenue at this market, and the pattern raises the question of whether or not revenue officers have been informally instructed to omit the parking fee, or are collecting in cash without accounting for it through the IRMS.

Confirmed Off-System Cash Collection

111. The case of vehicle KCV 403W in the cabbages section provides a confirmation that revenue is being collected in cash and outside the IRMS. It was established that the revenue officer responsible collected money from this vehicle but failed to process the transaction through the approved digital platform. This practice, if widespread, would render the IRMS records an unreliable and incomplete reflection of actual revenue collected at the market, making it impossible to accurately determine true collection performance and creating conditions for personal enrichment by revenue officers at the expense of the County.

Evidence of a Sustained Cash Arrangement – Vehicle KDT 240Z

112. The case of vehicle KDT 240Z warrants particular attention and further investigation. The IRMS shows no charge having been processed for this vehicle for the entire month of March 2026, with the last recorded transaction dating back to 26th February, 2026. Yet, the vehicle is regularly present at Kibuye Market – its registration number was recorded by the team as an active market vehicle, and the fact that it has a prior charging history in the system confirms it is known to revenue officers. The only reasonable inference from this pattern is that the vehicle owner has entered into an informal cash arrangement with a revenue officer or officers**, (INSERT NAME**) whereby the vehicle is allowed to operate at the market in exchange for direct cash payments that are never entered into the system. This represents a calculated and ongoing revenue theft arrangement, and it is precisely the kind of malpractice that the Committee's inquiry was established to uncover and address.

Selective and Inconsistent Charging

113. The pattern of charging observed during the visit is strikingly inconsistent and selective. Within the same section of the market, some vehicles were charged revenue through the IRMS while others immediately adjacent to them are not. The selective enforcement cannot be explained to be logistical constraints or oversight; it strongly implies that the decision of whether or not to charge a particular vehicle is being made on grounds other than compliance – most probably on the basis of personal relationships, arrangements, or inducements between vehicle owners and revenue officers. This selective approach to revenue collection does not align to the principles of equity, uniformity, and accountability that should govern public revenue administration.

Kibuye Site visit of 11th April, 2026

114. During the exercise, the Committee interacted with various officers stationed at the market, including the Market Superintendent, Mr. Joseph Olum; the Ward Revenue Officer for Shauri Moyo Ward, Mr. Erick Roche; enforcement officers from Nyalenda 'B'; sub-county enforcement personnel; revenue collectors; and traders drawn from different sections of the market.

Engagement with the Market Superintendent and Revenue Officers

115. The Committee thereafter held discussions with the Market Superintendent, Mr. Joseph Olum, and the Ward Revenue Officer, Mr. Erick Roche, who briefed members on the prevailing revenue collection practices and operational challenges affecting the market.

116. The officers informed the Committee that lorries transporting tomatoes are currently charged a standard fee of Kshs. 3,000 irrespective of the quantity carried, while lorries transporting cabbages are charged Kshs. 1,000. The Committee further observed several vehicles operating within the market, including motor vehicle registration KCZ 150A carrying onions, Isuzu lorry registration KCZ 563T and motor vehicle registration KDW 968Y transporting cabbages.

117. Upon review of the prevailing charging mechanism, the Committee established that the flat-rate system currently being applied has resulted in substantial under-collection of revenue. For instance, one lorry carrying 150 crates of tomatoes was charged Kshs. 3,000 instead of the applicable Kshs. 7,500 based on the approved rate of Kshs. 50 per crate as prescribed in the Kisumu County Finance Act, 2025. Similarly, another lorry carrying 160 crates was charged Kshs. 3,000 instead of Kshs. 8,000.

118. The Committee observed that there was a prevalence of undercharging on revenue which is inconsistent with the provisions of the Finance Act and significantly contributes to revenue leakages.

Engagement with Traders and Market Representatives

119. While overseeing the revenue collection exercise, the Committee team led by Hon. Lumumba Owade and Hon. Millicent Omuya encountered resistance from Ms. Judith Matengo alias Nyaramba, who initially objected to the Committee's oversight activities and threatened to prevent traders from carrying out the exercise within the market.

120. The Committee observed substantial litter and poor sanitation conditions within the market, which posed potential public health risks, including possible cholera outbreaks. It

was further noted that poor infrastructure and inadequate service delivery negatively affect business operations and undermine willingness among traders to comply with revenue obligations.

Revenue Collection and Enforcement

121. The Committee proceeded to assess the revenue collection and enforcement framework operating within the market. It was established that the market has twenty-two revenue collectors, two enforcement officers under the Revenue Department, and ten inspectorate officers responsible for compliance checks and enforcement activities.

122. The Committee was informed that approximately Kshs. 3.5 million was collected during the month of March 2026, while a total of Kshs. 9.6million was collected during the quarter ending March 2026.

123. During the exercise, revenue officers informed the Committee that they experience difficulties verifying payments made through the Paybill system and the USSD platform (*427#) because the payments are not reflected on their gadgets. Consequently, officers rely on traders' mobile phones to verify payment, thereby exposing the process to manipulation and potential revenue leakages.

System Demonstration and Operational Challenges

124. The Committee observed that the system experienced frequent downtime and network failures, thereby disrupting revenue collection and verification processes.

Inspection of Market Infrastructure and Facilities

17. The Committee conducted a physical inspection of the market infrastructure and facilities and observed several infrastructural and administrative deficiencies affecting market operations.
18. Among the deficiencies observed were inadequate security arrangements following the withdrawal of contracted security guards, lack of electricity and floodlights, poor drainage systems, inadequate garbage collection, congestion arising from insufficient parking space, and lack of operational social amenities such as lactation rooms.

19. The Committee observed that these infrastructural shortcomings negatively affect both traders and county operations and further undermine effective revenue collection within the market.

Verification of Stall Allocation and Use

20. The Committee thereafter reviewed the allocation and use of stalls and storage facilities within the market and established several irregularities.

21. It was observed that Stall B1, which had been designated as a lactation room, was inaccessible and not operational as it remained locked and unused. Stall B4, occupied by a trader operating under the name Nyakendu, had reportedly been issued with an allotment letter by the City Manager, Mr. Abala Wanga, although no formal contract documentation was available for verification. The trader, however, was confirmed to be operating under a valid Single Business Permit (SBP).

22. The Committee further established that Stall A8 had been rented by a Rwandese national identified as Karistus, who was allegedly impersonating one Kalistus Onyango by using his details to obtain a Single Business Permit and register a mobile number within the system. The occupant informed the Committee that he pays his landlord, Mr. Ooko, Kshs. 10,000 per month in rent while operating under an SBP valued at Kshs. 5,000.

23. It was also observed that Stall A5 is currently being used as a storage facility for traders' goods, with traders being charged a standard fee of Kshs. 100 for storage payable upon collection of goods.

24. Ms. Alice Waga, a second-hand clothes trader, informed the Committee that she had been allocated Stalls A3, A4, A5, and A6 by the City Manager. She further stated that while Stall A5 was being utilized as a storage facility, Stall A6 had been informally granted to another trader dealing in second-hand clothes bales.

25. The Committee additionally established that Stall B8 is currently being utilized as a finance office and that some traders occupy multiple stalls and stores without paying the requisite rent to the County Government.

26. The Committee observed that some traders have informally sublet county premises to third parties and that inconsistencies exist in the issuance and enforcement of Single Business Permits. The Committee consequently concluded that weak oversight in stall allocation and management may be contributing significantly to loss of county revenue.

Key Observations

27. The Committee observed that substantial revenue leakages exist within Kibuye Market arising from undercharging of traders, weak enforcement mechanisms, inconsistent application of approved rates, and deficiencies in the automated revenue management system.
28. The Committee further observed that the automated revenue collection system is unreliable and significantly undermines accountability, transparency, and operational efficiency within the market.

29. It was also observed that poor infrastructure, inadequate sanitation, insufficient lighting, weak drainage systems, and poor service delivery negatively affect trader compliance and overall market operations.

30. The Committee additionally noted that weak governance and inadequate oversight in stall allocation and management contribute to loss of potential county revenue.

31. Despite these challenges, the Committee established that traders are generally willing to comply with revenue obligations where service delivery is adequate and where revenue systems are transparent, efficient, and accountable.

Sub-County Revenue Performance — Meeting of 7th May 2026

32. On 7th May 2026, the Committee held a consultative meeting with Sub-County Revenue and Enforcement Officers from all eight sub-counties. The aggregate performance submitted to the Committee as at 7th May 2026 is set out in the table below:

No.	Sub-County	Staff	FY 2025/26 Target (Kshs.)	Actual Collection (Kshs.)	Variance (Kshs.)	Coll. Rate
1	Kisumu East	21	125,000,000.00	60,000,000.00	65,000,000.00	48%
2	Kisumu Central	14	800,000,000.00	485,588,673.00	314,411,327.00	61%
3	Seme	13	12,000,000.00	7,300,000.00	4,700,000.00	61%
4	Nyando	29	28,000,000.00	25,000,000.00	3,000,000.00	89%
5	Kisumu West	32	67,000,000.00	42,000,000.00	25,000,000.00	63%
6	Nyakach	40	23,000,000.00	17,600,000.00	5,400,000.00	77%
7	Kadibo	9	8,800,000.00	7,100,000.00	1,700,000.00	81%
8	Muhoroni	20	80,000,000.00	25,000,000.00	55,000,000.00	31%
TOTAL		**178**	**1,143,800,000.00**	**669,588,673.00**	**474,211,327.00**	**59%**

33. As at 7th May 2026, aggregate sub-county collections totalled Kshs. 669,588,673 against a combined target of Kshs. 1,143,800,000, representing a collection rate of fifty-nine per cent (59%) and a variance of Kshs. 474,211,327. Nyando Sub-County at eighty-nine per cent (89%) and Kadibo at eighty-one per cent (81%) represented the strongest performers. Muhoroni Sub-County at thirty-one per cent (31.25%) was the worst-performing.

34. The Committee noted with particular concern that Nyakach Sub-County, with forty (40) revenue staff; the highest staff deployment of any sub-county; had a target of only Kshs. 23,000,000. This represents a revenue target of Kshs. 575,000 per officer annually; a figure the Committee finds manifestly inconsistent with rational revenue administration and suggestive of either politically motivated staff deployment or deliberate under-targeting.

35. The Committee was informed by the Nyando Sub-County Revenue Officer that the Ahero-Awasi Municipal Manager, Mr. Orengo, had issued a directive exempting roadside traders from revenue payment. The Committee determined this directive to be contrary to the Finance Act and an unlawful overreach of the Municipal Manager's authority. It must be rescinded immediately.

36. Revenue Officer Bradox Majiwa, previously attached to Seme Sub-County and alleged to have mismanaged revenue funds, was transferred to Kisumu Central Sub-County and assigned supervisory responsibilities at the Bus Park rather than being subjected to disciplinary action. This pattern of transferring rather than disciplining errant officers directly perpetuates the culture of impunity in revenue administration.

Committee Finding

37. The Committee finds that sub-county revenue target setting is not scientifically based and produces irrational outcomes such as forty staff in Nyakach generating only Kshs. 23,000,000 in target. The fifty-nine per cent (59%) aggregate collection rate as at 7th May 2026 confirms the revenue administration crisis is systemic and not isolated. The unlawful Municipal Manager's directive exempting traders from payment and the transfer of an implicated officer to a supervisory role without disciplinary action are governance failures that require immediate corrective action.

4C.5 Engagement with the Kisumu City Board — 17th April 2026

38. The Committee held a meeting with the Kisumu City Board on 17th April 2026 on Own Source Revenue matters. Key findings from this engagement were as follows:

    i. that revenue performance has consistently underperformed against targets over three years despite significant projection increases and despite delegation of revenue collection roles to the City Board;

    ii. that revenue monitoring is mainly report-based rather than real-time;

iii. that the City currently operates a billing-oriented system rather than a fully integrated revenue management system;

iv. that Charcon Properties Limited was confirmed to have been contracted to supervise rent collection on behalf of the City Board; and

v. that the County is in the process of procuring a new revenue system which did not appear materially different from the existing one as presented.

39. The engagement confirmed Charcon Properties Limited's role in the near-total collapse of property rent collections from Kshs. 20,447,477 in FY 2023/24 to Kshs. 6,183,882 in FY 2024/25. The Committee resolved to require the Managing Director, Mr. Connel Osano, to appear personally before the Committee for substantive interrogation. On the appointed date (7th May 2026), the Company sent Mr. Martin Okumu (Head of Operations) and Mr. Jairo Nyamwaya (Property Manager) without a letter of authority, which the Committee found unacceptable.

4C.7 Engagement with Charcon Properties Limited and Analysis of Submitted Documents

Mr. Speaker and Honourable Members,

40. The Committee received documents submitted by Charcon Properties Limited to the Clerk of the County Assembly of Kisumu pursuant to a covering letter dated 19th May 2026, signed by Mr. Jairo Nyamwanga, Property Manager, Charcon Properties Limited. The submission comprised:

    i. monthly rent statements;

    ii. Rents Payable schedules for each managed property;

    iii. a Property Management Progress Report covering the period 1st March 2025 to 30th April 2026 (dated 3rd May 2026); and

    iv. copies of court orders and cases relating to the management of County properties.

40. The documents were submitted in the context of the Committee's broader inquiry into the collapse of property rent collections from Kshs. 20,447,477 in FY 2023/24 to Kshs. 6,183,882 in FY 2024/25; a decline of Kshs. 14,263,595, representing a sixty-nine point eight per cent (69.8%) reduction in a single financial year; occurring during the period in which Charcon Properties Limited was engaged as managing agent.

41. The Committee notes that on the appointed date of 7th May 2026, Charcon Properties Limited did not appear through its authorised principal, Mr. Connel Osano (Managing Director), as directed by the Committee. Instead, the Company dispatched Mr. Martin Okumu (Head of Operations) and Mr. Jairo Nyamwanga (Property Manager) without a letter of authority. The Committee found this unacceptable and recorded it as contemptuous disregard for the County Assembly's oversight mandate. Thereafter, Charcon's subsequent submission of documents on 19th May 2026 was accordingly treated as documentary evidence

and was received alongside the oral testimony from the Company's authorised principals in the committee meeting held on 18th May, 2026.

4C.7.1 Properties Handed Over to Charcon Properties Limited for Management

42. According to the Property Management Progress Report dated 3rd May 2026 and the hand-over documentation referenced therein, the following Estates, Residential Blocks, and Institutional Houses were placed under Charcon Properties Limited's management;

    a) Residential Blocks — Estates and Housing Units

        i. Block 11 (Units 37, 38, 43, 46, 47, 47B, 47C, 47D, 48, 49 and 52);
        ii. Block 4 (Units 149A, 149B, 158A, 158B, 154A and 154B);
        iii. Block 8 (Units 79, 79A, 148A, 148B, 208, 208A, 258A, 258B, 258C, 258D, 258E, 258F, 259A, 259B, 259C and 259D);
        iv. Block 10 (Units A, B, C and D); Block 12 (Units 91A, 91B and 91C);

    b) Slaughter Houses —

        i. Slaughter House A,
        ii. Slaughter House B and
        iii. Slaughter House C; and

    c) Kibuye Estate (approximately 45 units).

    d) Institutional and Special Facilities:

        i. Ober Kamoth Health Centre;
        ii. Got Nyabondo Health Centre;
        iii. Mama Ngina Children's Home; and
        iv. Old Fire Station.

43. The Rent Ledger (printed 22nd May 2026 at 9:53 a.m.) confirms the following current monthly rent bill schedule across active properties:

Property Block	No. of Active Units	Monthly Rent Bill (Kshs.)
Kisumu County Block 10 Milimani	2	20,000
Kisumu County Block 11 Milimani	7	280,000
Kisumu County Block 12 Milimani	1	85,000
Kisumu County Block 4 Tom Mboya	3	80,000
Kisumu County Kibuye Estate	~53	294,000 (approx.)
Kisumu County Ober Kamoth Health Centre	3	6,500

Kisumu County Old Fire Station	3–4	93,000–103,000
Kisumu County Slaughter Houses Mamboleo	3	13,500
TOTAL	**~75**	**~762,000+ per month**

4C.7.2 Rent Collection Performance: March 2025 to April 2026

44. The Rent Collection Progress Reports submitted by Charcon Properties Limited cover fourteen monthly periods from March 2025 to April 2026. The Committee analysed these reports to determine the total rent billed, rent expected (inclusive of brought-forward arrears), rent actually received, and outstanding arrears for each period. The following table presents the consolidated findings:

Reporting Period	Rent Bill (Kshs.)	Rent Expected (Kshs.)	Rent Received (Kshs.)	Rent Arrears (Kshs.)
01/03/2025 – 31/03/2025	626,000	626,000	**0**	626,000
01/04/2025 – 30/04/2025	706,000	1,332,000	24,000	1,308,000
01/05/2025 – 31/05/2025	766,000	2,074,000	103,000	~1,971,000
01/06/2025 – 30/06/2025	731,500	2,671,000	13,000	2,658,000
01/07/2025 – 31/07/2025	776,000	3,430,000	203,000	3,227,000
01/08/2025 – 31/08/2025	726,000	3,923,000	13,000	3,910,000
01/09/2025 – 30/09/2025	776,000	4,686,000	100,000	4,586,000
01/11/2025 – 30/11/2025	1,166,000	5,585,109	549,000	5,036,100
01/12/2025 – 31/12/2025	822,000	5,850,660	**0**	5,850,660
01/01/2026 – 31/01/2026	762,000	6,492,660	197,000	6,295,660

01/03/2026 – 31/03/2026	762,000	~6,492,660	197,000	~6,295,660
01/04/2026 – 30/04/2026	762,000	~8,007,660	~137,000 (partial)	~7,810,660

45. The foregoing table reveals a pattern of near-total rent collection failure throughout the reporting period. In the first month of the reporting period (March 2025), Rent Received was Kshs. 0. In December 2025, Rent Received was again Kshs. 0 despite cumulative arrears of Kshs. 5,850,660. By April 2026 — the final month of the reporting period — cumulative arrears had reached approximately Kshs. 7,810,660, with only Kshs. 137,000 received in that month across the entire portfolio of approximately 75 tenanted units.
46. The Committee notes that the aggregate Rent Received across the entire fourteen-month reporting period amounts to approximately Kshs. 1,197,000 against a cumulative Rent Expected (inclusive of brought-forward arrears) of over Kshs. 8,007,660 by April 2026 — a cumulative collection rate of approximately fifteen per cent (15%).

4C.7.3 Individual Tenant Arrears of Particular Concern

47. The Committee draws attention to the following specific instances of accumulated arrears as documented in the Rent Collection Progress Reports, which represent the most significant outstanding obligations:

Unit	Tenant	Monthly Bill (Kshs.)	Arrears as at April 2026 (Kshs.)	Remarks
H11/47D	Patrick Ouya	70,000	980,000	Rent Received = 0 across all reported periods. Active court case cited in Property Management Report.
H12/91	Hon. Fred Outa	85,000	1,190,000	Rent Received = 0 throughout. Property Management Report cites active court case as constraint to enforcement.

154A	Holdings Shajanand	60,000	840,000	Property Management Report notes ownership dispute — Shajanand Holdings claims to own these units and declines to pay rent.
H11/46	Lake Region Empowerment Network	60,000	360,000	Rent Received = 0 in all periods from January 2026 onwards.
H11/37	Jerome Okoth Owako	30,000	420,000	Rent Received = 0 throughout the 2026 reporting months.
S01 (Old Fire Station)	Kadiang'a Electricals	50,000	50,000 (April 2026)	Irregular payment pattern. Kshs. 100,000 received in July 2025 and Kshs. 100,000 in January 2026 only.
Multiple units	Kibuye Estate (approx. 49 of 53 units)	5,000–8,000	2,088,660 (aggregate)	April 2026 shows Rent Received = 0 for the overwhelming majority of units, with only isolated partial payments recorded.

48. The Committee notes that the most significant single arrears belong to Hon. Fred Outa (Block 12 Milimani, Unit H12/91), whose monthly obligation stands at Kshs. 85,000 and whose cumulative arrears as at April 2026 stand at Kshs. 1,190,000, representing fourteen months of entirely unpaid rent. The Committee further notes that the Property Management Progress Report dated 3rd May 2026 explicitly acknowledges that the court case involving Hon. Fred Outa remains active, and that this case has created uncertainty around rent collection from that unit.

4C.7.4 Legal Analysis: Court Order — Case No. HCJR/E004/2025

49. The documents submitted by Charcon Properties Limited include a Court Order issued by the High Court of Kenya at Kisumu in Case No. HCJR/E004/2025, in the matter of Joseph

Omondi v City of Kisumu and Charcon Properties Limited. The matter came before the Hon. Justice Alfred Mabeya on Chamber Summons filed on 4th March 2025 and was heard on 5th March 2025.

50. The following Orders were granted by the Honourable Court on 5th March 2025, sealed and signed by Hon. Gloriah Nasimiyu Barasah, Senior Resident Magistrate (Deputy Registrar) on 10th March 2025:

    (a) CERTIORARI: Leave was granted to apply for an order of certiorari to quash the decision of the City of Kisumu appointing and/or delegating the management and collection of revenue and rent of all institutional houses and other properties within the City of Kisumu to Charcon Properties Limited.

    (b) PROHIBITION: Leave was granted to apply for an order of prohibition directed at the City of Kisumu, prohibiting the Respondent from sub-delegating the management and collection of rent of all institutional houses and other properties within the City of Kisumu to Charcon Properties Limited or any third party.

    (c) STAY ORDER: The leave granted operated as a stay order barring Charcon Properties Limited from the management and collection of revenue and rent of all institutional houses and other properties within the City of Kisumu, pending the hearing and determination of the Substantive Judicial Review Application.

    (d) The substantive motion was directed to be filed and served on the Respondents and Interested Parties within fourteen (14) days. The matter was listed for further directions on 19th March 2025.

51. The Court's Penal Notice expressly warned that any disobedience or non-observance of the order served would result in penal consequences to any person disobeying or not observing the same.

52. The Property Management Progress Report dated 3rd May 2026 states that the major court case involving Kibuye Estate was withdrawn in May 2025, thereby lifting the injunction and allowing Charcon to resume full management. The Committee notes this assertion but observes that no certified copy of a court order formally withdrawing the Substantive Judicial Review and discharging the stay order has been placed before the Committee to verify this claim. The Committee further notes that the cases involving Hon. Fred Outa and Patrick Ouya are confirmed in the same Report to remain active as at the date of the Report.

Committee Finding

53. The Committee finds that a valid stay order issued on 5th March 2025, bearing Penal Notice consequences for non-observance, barred Charcon Properties Limited from managing and collecting revenue and rent on all institutional houses and other properties within the City of Kisumu. The Committee is unable to verify, on the basis of the documents before it, that the stay order was lawfully lifted prior to Charcon resuming management functions. The County Attorney himself did not place before the Committee a certified copy of any court order formally discharging the stay in Case No. HCJR/E004/2025 and a legal opinion on the lawfulness of any acts by Charcon during the period 5th March 2025 to the confirmed date of discharge.

4C.7.5 Property Management Progress Report: Key Findings

54. The Property Management Progress Report dated 3rd May 2026 (reporting period 1st March 2025 to 30th April 2026) provides Charcon Properties Limited's own assessment of its management performance. The Committee draws attention to the following findings recorded in that Report:

55. **On Occupancy**: Occupancy levels across estates remain high, with most units occupied despite ongoing disputes and maintenance challenges. Several units are non-revenue generating due to occupation by County departments, security personnel, and institutional users. Some units remain unoccupied due to dilapidated conditions, pending repairs, or unresolved ownership claims. A comprehensive physical verification exercise is stated to be ongoing.

56. **On Non-Revenue Generating Units**: The Report identifies multiple units that are non-revenue generating, including: Houses 4/149, 4/149A and 4/149B — occupied by KI-WASCO, whose headquarters were constructed on these sites; Houses 8/148 and 8/148A — occupied by the Governor's security detail; Houses 8/208A and 8/208B — used by the County First Lady as offices; and Houses 8/258A through 8/259D — found to belong to NSSF and since demolished for modern housing construction. These units generate no rental income to the County.

57. **On New Leases and Renewals**: The Report records that lease renewals have been materially impeded by the non-availability of updated Finance Act rental rates. The Report states: 'Renewal of Tenancy Agreements and leases is further dependent on the new County Finance Act, which prescribes the updated rent rates to be applied. This document has not been availed to us, making it impossible to commence the latest round of lease renewals.'

58. **On Senior County Employees in Default**: The Report explicitly states that a significant number of County Government employees in higher ranks, including County Executive Committee Members, have been unwilling to pay rent, that despite repeated follow-ups many either ignore communication or remain non-responsive to official correspondence, and that this creates substantial challenges in enforcing tenancy obligations. Some tenants making payments through payroll check-off deductions continue to show arrears in their accounts, indicating gaps in remittance reconciliation between the payroll office and the rent accounts.

59. **On Maintenance**: The Report identifies extensive maintenance deficiencies including: plumbing, electrical and structural repairs required urgently at Kibuye Estate; leaking roofs at Block 12-A and Block 12-B (requiring complete overhaul); non-operational plumbing at House 11/49; and the Ober Kamoth Health Centre units being described as uninhabitable due to absence of water and leaking conditions, rendering rent enforcement impossible until conditions are addressed.

60. **On the Letter dated 20th November 2025** — Request for Rent Payment Slips: Charcon Properties Limited wrote to the Revenue Accountant of the Kisumu Revenue Board (Mr. David Nandi) on 20th November 2025 formally requesting copies of all rent payment slips made through the Kisumu Revenue Board accounts in respect of Kibuye Estate tenants and institutional houses for the periods September and October 2025. The stated purpose was

to facilitate a comprehensive reconciliation of rent payments and to update Charcon's records accordingly. The Committee observes that this letter reveals a material gap in Charcon's own management records: an agent entrusted with rent collection does not have independent knowledge of what its principal has collected through its own accounts, creating a structural accountability deficit that has contributed directly to the reconciliation failures documented in this Report.

Committee Finding

61. The Committee finds that the Property Management Progress Report dated 3rd May 2026 confirms that Charcon Properties Limited was, throughout the reporting period, unable to enforce rent collection against a significant proportion of tenants; including senior County Government employees and elected officials — and that this failure was compounded by unresolved ownership disputes, the non-availability of updated Finance Act rates, inadequate maintenance of managed properties, and a structural reconciliation deficit between Charcon's accounts and the Revenue Board's collection records. The Committee further finds that Charcon's letter dated 20th November 2025 to Mr. David Nandi requesting rent payment slips for September and October 2025 is direct evidence that the managing agent did not have a complete and current picture of rent collected and remitted to the County; a fundamental failure of agency accountability.

4C.7.6 Financial Analysis: Contribution to OSR Rent Revenue Collapse

62. The Committee established that property rent collections under the five-year OSR performance analysis declined as follows:

Revenue Stream	FY 2020/21 (Kshs.)	FY 2021/22 (Kshs.)	FY 2022/23 (Kshs.)	FY 2023/24 (Kshs.)	FY 2024/25 (Kshs.)
Rents	24,766,887	18,176,177	20,039,683	20,447,477	6,183,882
Year-on-Year Change	—	↓ 26.6%	↑ 10.3%	↑ 2.0%	↓ **69.8%**

63. The FY 2024/25 rent collection of Kshs. 6,183,882 represents the lowest recorded rent collection in the five-year period under review, and marks a decline of Kshs. 14,263,595 from the previous financial year — the steepest single-year collapse in any OSR stream over the review period. This decline occurred in direct correspondence with Charcon Properties Limited's engagement as managing agent.

64. Against the monthly rent bill of approximately Kshs. 762,000 per month (as at the date of the Rent Ledger), the annualised billing potential of the managed portfolio is approximately Kshs. 9,144,000 per annum. Against the FY 2024/25 actual collection of Kshs. 6,183,882, the County collected approximately sixty-eight per cent (68%) of current billing potential — before accounting for the additional arrears carried over from prior periods. When cumulative arrears of approximately Kshs. 7,810,660 (as at April 2026) are considered, the total uncollected rent under Charcon's management exceeds Kshs. 13,000,000.

Committee Finding

65. The Committee finds that property rent revenue collapsed by sixty-nine point eight per cent (69.8%) in FY 2024/25, representing a loss of Kshs. 14,263,595 against the prior year's collections. This collapse occurred during the period of Charcon Properties Limited's engagement as managing agent. As at April 2026, cumulative rent arrears across the managed portfolio stand at approximately Kshs. 7,810,660, with a cumulative collection rate of approximately fifteen per cent (15%) over the fourteen-month reporting period. The Committee finds that the engagement of Charcon Properties Limited without adequate oversight mechanisms, performance benchmarks, remittance timelines, or contractual accountability provisions directly contributed to this outcome. The Committee further finds that the Kisumu City Board failed in its supervisory responsibility to monitor Charcon's performance and enforce remittance of collected rents to the County Revenue Fund.

4C.6 Engagement with the Kisumu County Alcoholic Drinks Control Fund — 16th April 2026

66. The Committee held a public hearing with the Kisumu County Alcoholic Drinks Control Fund. Significant discrepancies were noted between the Fund's self-reported figures and those recorded in the County Budget Review and Outlook Paper (CBROP): FY 2022/2023 (CBROP Target: Kshs. 38,453,328; CBROP Actual: Kshs. 13,363,790); FY 2024/2025 (CBROP Target: Kshs. 40,000,000; CBROP Actual: Kshs. 26,313,051). The Fund Administrator also clarified that the number of licensed outlets for FY 2024/2025 was initially overstated as 885; the correct figure is 696.

67. The Committee further noted that six outlets in a named ward did not comply with the statutory 300-metre distance requirement from learning institutions, and that enforcement challenges persist including alleged collusion between police officers and non-compliant outlet operators. The system issued multiple licences under a single FT number, indicating a critical data integrity failure in the Fund's licensing system.

Committee Finding

68. The Committee finds that the Alcoholic Drinks Control Fund's self-reported figures are inconsistent with the CBROP records, indicating either dual reporting or irregular revenue treatment. The licensing system's failure to prevent multiple licences under a single FT number, the statutory 300-metre violation by six outlets, and alleged police collusion with non-compliant operators represent systematic governance and enforcement failures in the Fund's administration.

Benchmarking Exercise — Kiambu, Murang'a and Laikipia Counties

69. The Committee undertook a benchmarking exercise to three peer counties selected for their demonstrable upward fiscal trajectories and progressive revenue administration models.

70. **Kiambu County:** Demonstrated remarkable and sustained revenue growth from Kshs. 2.9 billion in FY 2021/22 to a projected Kshs. 5.4 billion in FY 2024/25 (approximately eighty-six per cent (86%) growth), achieved not through rate increases but through a fully

integrated Enterprise Resource Planning (ERP) system, investment in system integrity, and institutional accountability.

71. **Murang'a County:** Nearly doubled revenue collections between FY 2021/22 and FY 2023/24, reaching Kshs. 1.11 billion, attributable to a bold transition to fully cashless revenue collection leveraging mobile money platforms to eliminate cash transactions entirely.

72. **Laikipia County:** Strategy anchored in horizontal OSR growth through expansion of the revenue base. The cascaded individual target model places revenue performance targets at individual officer level at ward and barrier levels, creating direct personal accountability. Revenue targets are domiciled within sectoral departments, aligning revenue mobilisation with service delivery.

73. The key lesson from all three counties is that sustained OSR growth is achieved through institutional investment, system integrity, elimination of cash transactions, and staff accountability — not through the adoption of technology platforms that replicate manual system weaknesses in digital form.

Committee Finding

74. The Committee finds that Kiambu County's growth from Kshs. 2.9 billion to Kshs. 5.4 billion and Murang'a's doubling of revenue demonstrate what is achievable through genuine system reform. Kisumu County's reliance on a single SaaS platform without adequate oversight, combined with the documented governance failures in the Revenue Board and the field-verified evidence of systemic cash diversion, means the County's actual revenue potential significantly exceeds current collections. The benchmarking evidence places the responsibility for underperformance squarely with governance failures rather than economic constraints.

Service Delivery, Human Rights and Revenue Compliance

75. During field visits at Kibuye and Kombewa Markets, traders raised concerns regarding deplorable market conditions: poor drainage, inadequate garbage collection, insecurity, lack of clean water, inadequate lighting and poor sanitation. The Committee observed that these conditions undermine constitutional rights under Articles 28 (human dignity) and 43 (social and economic rights) of the Constitution.

76. The Committee finds a direct causal relationship between the quality of service delivery and voluntary tax compliance. The persistent failure by the County Government to provide reasonable market infrastructure fundamentally undermines public confidence in county taxation and reduces voluntary compliance. When traders pay revenue levies to a County that fails to maintain even basic market infrastructure, the social contract that justifies taxation is broken. Revenue administration cannot be separated from service delivery accountability.

Committee Finding

77. The Committee finds that the County Government's failure to maintain adequate market infrastructure directly undermines its moral and practical authority to collect market levies, contributing to low voluntary compliance. The dehumanising conditions at Kibuye and Kombewa Markets may constitute a violation of traders' rights under Article 43 of the Constitution and must be addressed as a matter of both legal obligation and revenue policy.

Engagement with the CECM for Finance — Sitting No. 21, 14th May 2026

78. The Cmmittee held Sitting No. 21 on Thursday, 14th May 2026 at 2:30 p.m. at Shiloah Boardroom (Ad-Hoc/OSR/5/26 (Sitting No. 21)).

Submissions of the CEC Member for Finance

On Governance and Appointments

79. The Committee established that the Kisumu County Revenue Board currently has no active members; a technical committee under the Kenya Revenue Support Programme is managing implementation in the Board's absence. The Committee noted that several originally appointed Board members had resigned or stepped aside, and that resignation letters exist. The Committee questioned whether CEO and Board recruitments followed statutory steps, including advertisement, County Public Service Board recommendation, and CEC appointment, and observed that many CEO changes were reassignments rather than competitive hires. The Committee formally requested all resignation letters and appointment records to confirm statutory compliance, and any Board resolutions related to the disputed transaction deletions (see Minutes No. 4/CAK/AD-HOC/14/05/2026).

On Investigation Findings and the Kshs. 273,000,000 Allegation

80. The CEC Member submitted that an internal estimate had indicated up to 887,086 transactions, with an approximate value of Kshs. 273,000,000, had been removed from active visibility within the IRMS, pending verification and reconciliation of records provided by Safaricom PLC and the technology partner. Correspondence and supporting documentation shared by Safaricom PLC indicated that the removal process had been undertaken pursuant to formal instructions issued by the relevant County revenue authorities in the course of operational and administrative processes within the system. Safaricom PLC acted on the basis of those instructions as communicated through the established engagement framework with the County and its designated stakeholders.

81. The Committee further noted that the relevant transaction logs and restored records have since been availed by Safaricom PLC following the restoration and reconciliation process undertaken with the technology partner. The Committee observed that Safaricom PLC has continued to cooperate with the County and other relevant stakeholders by providing the available audit trails, correspondence and supporting documentation relating to the matter.

82. Accordingly, the Committee resolved to review the full transaction audit trails availed by Safaricom PLC and the complete chain of correspondence and meeting minutes relating to the instructions, implementation and restoration processes, in order to facilitate closure of the matter within the applicable legal and contractual framework.

On IT System (IRMS) Performance and Technical Deficiencies

83. The CEC Member submitted that a persistent identified issue is that payment postings take multiple days to reflect in the IRMS, affecting reconciliation and client service. A Joint Technical Committee produced remedial recommendations. Data quality gaps were confirmed, including outdated land rates records, an incomplete business register, and inconsistent valuations. Safaricom shared communication that explains the archiving of transactions and confirmed restoration of the same. A decision on whether to develop or procure new revenue systems was agreed to be made by end of May to mid-June 2026 following benchmarking visits (Minutes No. 4/CAK/AD-HOC/14/05/2026).

84. Resolutions and Immediate Action Requests: The Committee formally resolved: That the Treasury reconcile accounts with Safaricom and pay any outstanding amounts found to be due; that the CECM Finance obtain and verify Board minutes and resolutions authorising any transaction deletions; that HR and legal consequences for implicated staff be pursued; that technical fixes be completed, bank sweep anomalies be reconciled, datasets be integrated, and technical staff recruitment be operationalised; that clearer communication on rates and receipts and visible value-for-money demonstrations be implemented; that public awareness campaigns and clearer communication of billing practices be implemented; and that revenue collectors be vetted with patronage-based appointments converted to performance-based contracts where appropriate.

On Contractual Structure — Safaricom, RevTech and the County:

85. The CEC Member submitted that the contract for the ICRMS was signed on 31st October 2023 between Safaricom PLC and the County Government of Kisumu, with the Chief Officer of Finance and the County Attorney as signatories. RevTech (RTI, trading as Rev Tech Innovation Limited) is not a direct contractual signatory but is explicitly referenced in Clause 5H of the Agreement, which identifies the partnership as being between Safaricom PLC and RevTech Innovation Limited. A separate backend agreement exists between Safaricom and RevTech covering system delivery, software ownership, support and maintenance. RevTech owns the intellectual property rights to the BILA software, while Safarcom holds an exclusive, non-transferable licence to use it. Safaricom acts as the principal contractor and supplier to the County and implemented instructions and requests issued by authorised County officials in the course of service delivery. Safaricom's Enterprise Business Unit, previously led by Cynthia Kropac and supported by Isaac Kabutha handled operational communication, though both have since left the company. The contractual framework did not designate specific County officers for day-to-day

communication or establish a restricted approval hierarchy within the County for sensitive system instructions, thereby creating a structural governance weakness on the County side which allowed multiple County officers to communicate directly with Safaricom, including on operational matters relating to transaction management and data handling.

On Transaction Deletion, Restoration and the Kshs. 273,000,000 Claim

86. According to the County of Kisumu, approximately 887,086 transactions were archived at the request of the Kisumu Revenue Board, primarily consisting of unstructured revenue (such as unpaid parking fees held beyond 24 hours) and duplicated invoices. A formal letter from a Revenue Board employee identified as Benter requested the removal of these records. Safaricom PLC and Rev Tech Innovation Limited complied with the directive issued by County officials, including the then-CEO Lawrence, who cited concerns about "perishable" unpaid invoices clogging the system. Due to an inaccurate script used in the archiving exercise, some unstructured transactions invoices were mistakenly archived alongside unpaid ones. These were subsequently restored from cloud backups as a single batch without filtering. This was confirmed by the Director ICT during the meeting with Safaricom. Further, Safaricom PLC shared Minutes dated 2nd October 2024 which, under the agenda item on Data Integrity, confirmed that the archived logs had been retained within the system without any further deletion. Safaricom PLC also provided an email dated 11th October 2024 from Isaac Kabutha to the County Government of Kisumu confirming that the archived transaction records had subsequently been restored and uploaded back into the system. The same correspondence further confirmed that a link containing the archived logs had been shared with the County's ICT officer for access and verification.

87. Safaricom maintains that no actual revenue was lost because the system's payment flow directs all Pay Bill *427# payments directly into the County's designated bank account, making diversion or financial loss through the archiving process technically impossible. Safaricom further clarified that, prior to the County's later assertions and demand letter, it had never previously been informed or made aware of allegations that 887,086 transactions valued at approximately Kshs. 273,000,000 were allegedly missing. Accordingly, Safaricom's earlier response stating that it was "not aware of any missing transactions" was based on the understanding that the archived logs had already been restored and verified as communicated in the meetings and correspondence exchanged with the County. Safaricom's position is therefore that the Kshs 273,000,000 is an alleged loss and the calculation behind this loss is unknown. During the Committee proceedings, Safaricom reiterated its commitment to transparency, cooperation and full disclosure, including continued sharing of logs, audit trails and restoration records to support reconciliation and verification efforts. However, the Committee notes that the archiving exercise affected reporting accuracy and created discrepancies between certain system reports and bank balances.

Outstanding Commitments and Action Items

88. As at the date of the sitting, the following critical deliverables were receipted by the Committee from Safaricom PLC and RevTech on 22nd May, 2026:

    a) All supporting documents including evidence of data restoration and communication logs; the audit report on RevTech (RTI) user activities;

    b) Exact figures on the value and number of archived transactions (not estimates);

    c) full system architecture documentation, complete audit logs, and records of deleted transactions; documented delays caused by the County including late provision of APIs and hardware issues;

    d) revenue performance data for FY 2023/2024, FY 2024/2025, and the current FY 2025/2026 up to the meeting date;

    e) before-and-after system state evidence including the date of transaction restoration; and confirmation of the implementation date of the Privileged Identity Management (PIM) system.

    The Committee confirms that all these deliverables have since been furnished by Safaricom on 22nd May 2026. The Committee further noted that the Kshs. 8,070,079.12 in outstanding SaaS fees had gone unpaid for over a year despite Safaricom continuing to provide services, and that the County had not paid Phase III implementation fees, creating financial strain for Safaricom. Safaricom PLC's continued provision of services despite non-payment demonstrated its goodwill and commitment to supporting the customer relationship (Minutes No. 5/CAK/AD-HOC/13/05/2026).

Safaricom's RevTech Investigation

89. Safaricom PLC initiated an independent review into RevTech activities on 12th November 2024 following correspondence from the County dated 11th October 2024 raising concerns regarding possible irregularities. The Committee notes that, subsequent to the earlier sitting, Safaricom PLC shared additional reports, logs and supporting documentation relating to the matter, including information concerning archived and restored transactions. The Committee further notes Safaricom PLC's continued participation in Committee sittings, cooperation with requests for information, and stated commitment to transparency, accountability and continued collaboration with the County in resolving outstanding reconciliation and operational matters relating to the Integrated Revenue Management System. (Minutes No. 5/CAK/AD-HOC/13/05/2026).

Committee Observations

90. The Committee notes that despite the acknowledged system challenges, Safaricom PLC asserted a one hundred and thirteen per cent (113%) increase in revenue collection attributed to the ICRMS, demonstrating the system's value in automation, transparency and real-time reconciliation. The Committee further notes that the alleged Kshs. 273,000,000 loss remains an unproven allegation of fraud and has not been conclusively established through any completed forensic audit, reconciliation exercise or judicial determination.

91. Further, as evidenced by the documentation and invoices provided by Safaricom PLC, no Software as a Service (SaaS) fees constituting four per cent (4%) of collections are payable to Safaricom PLC unless and until a detailed reconciliation process is undertaken, verified and formally signed off by both parties. This demonstrates that the County not only reviews but actively verifies and approves the reconciled revenue figures prior to invoicing and payment, and that the invoices issued by Safaricom are neither arbitrary nor unilateral in nature.

The Kshs 273,000,000 claim

92. The Committee finds, based on evidence gathered at Sitting No. 21 (14th May 2026), Sitting No. 23 (20th May 2026), and the report submitted by Safaricom PLC on 22nd May 2026, that the archiving of transactions from the IRMS was undertaken pursuant to instructions issued by officers of the County Government of Kisumu. The material presented before the Committee indicates that a total of 3,366 logs amounting to Kshs. 131,580,713.40, comprising both structured and unstructured invoices, were archived following formal requests attributed to County officials. The evidence further demonstrates that the archived logs were subsequently restored onto the system, a position confirmed through minutes shared by Safaricom PLC as well as subsequent correspondence and email confirmations acknowledging that the removed records had been reinstated within the IRMS.

93. In light of the foregoing, the Committee notes that the claim for Kshs. 273,000,000 in alleged revenue loss remains unsubstantiated, particularly in the absence of a completed reconciliation exercise, forensic audit or other conclusive evidence establishing actual loss attributable to the archived transactions. The Committee further observes that the existence of off-system cash collections, informal collection arrangements and unreceipted transactions materially undermines the ability to conclusively attribute any alleged revenue discrepancies to the IRMS itself.

4.14 Consultative Meeting with the County Secretary, County Attorney and Chief of Staff — Sitting No. 22, 19th May 2026

Submission by the Chief of Staff, Mr. Alloyce Ager:

94. The Chief of Staff disclosed that the initiative to compel the resignation of Revenue Board members was precipitated by suspected revenue fraud in excess of Kshs. 2,000,000. The

investigation into the alleged fraud was conducted internally by the County Executive, with the team leader being the CECM Finance. The Board Offices were also converted to a Fire Station for the stated purpose of maximising office space and centralisation of services (Minutes No. 4/CAK/AD-HOC/19/05/2026).

95. Submission by the County Attorney, Mr. Otieno Aluoka

The County Attorney disclosed that on 10th February 2025, acting on the instructions of the CECM Finance, a demand letter was sent to Safaricom PLC regarding the haemorrhage of data and the alleged loss of revenue. Additional concerns were raised concerning Safaricom's engagement with RevTech on matters of revenue management. The County Attorney disclosed that in February 2026, during a full meeting, Safaricom PLC disclosed to the County that the Revenue Board had written to them directly authorising the deletion of certain data. Furthermore, in January 2026, Safaricom disclosed that they were terminating their relationship with RevTech by April 2026. On 14th January 2026, Safaricom provided a formal response indicating that data was deleted as per the Revenue Board's instruction — a disclosure that imperatively led to the stepping aside of persons in office at that time to allow effective investigation. The County Attorney confirmed not having received the correspondence from Safaricom and confirmed that no legal advisory had been issued to the investigation body as of the meeting date (Minutes No. 4/CAK/AD-HOC/19/05/2026).

96. Submission by the County Secretary, Mr. Hesborn Hongo

The County Secretary disclosed that the Cabinet resolved to dissolve the Revenue Board, and that the meeting compelling resignations of Board members originated from this Cabinet resolution. The County Secretary confirmed that the minutes for the virtual meeting at which this resolution was made were not kept. The County Secretary had issued a letter designating Dr. Benter Omollo as Ag. CEO of the Revenue Board and letters suspending staff implicated in the revenue loss allegations. The County Secretary had received letters from the Finance Department seeking the redeployment of implicated staff, and confirmed that the investigation report clearing the implicated staff had not been received as of the meeting date (Minutes No. 4/CAK/AD-HOC/19/05/2026).

97. Committee Observations and Resolutions

The Committee observed that with the electioneering period approaching, the County Attorney ought to have advised the investigating body to discontinue internal investigations and instead pursue the matter through the legal process, which is expected to take a longer duration. The Committee resolved that the following be submitted: letters to Safaricom and correspondence from Safaricom; the Chair's resignation letter; Board minutes authorising the CEO to write to Safaricom; and an investigation of RevTech. The Committee noted with grave concern that the absence of proper minutes from the virtual Cabinet meeting that resolved to dissolve the Board represents a fundamental failure of governance documentation that may have legal

consequences for the validity of decisions taken at that meeting (Minutes No. 4/CAK/AD-HOC/19/05/2026).

PERFORMANCE OF THE COUNTY DIRECTORATE OF INFORMATION AND COMMUNICATIONS TECHNOLOGY IN THE ADMINISTRATION OF THE INTEGRATED REVENUE MANAGEMENT SYSTEM

Mr. Speaker and Honourable Members,

98. This Section presents the Committee's findings on the performance of the County Directorate of Information and Communications Technology (ICT Directorate) and the personal culpability of its head, the Director ICT, Ms. Maurine Awuor, in the oversight and administration of the Integrated Revenue Management System (IRMS) during the period under review. The Committee addresses both questions together, as the institutional failures of the Directorate and the personal culpability of its Director are, on the evidence before the Committee, inseparable. The Directorate's failures are substantially the Director's failures, and the Director's culpability is substantially a product of a Directorate that operated materially below the standard its mandate required.

Mandate, Access and Authority of the ICT Directorate

147. The ICT Directorate, headed by Director Ms. Maurine Awuor and Deputy Director Mr. Stephen Agalo, was the County's principal technical custodian of the IRMS from the date of its go-live on 18th December 2023. Its institutional responsibilities encompassed technical oversight of the IRMS deployment, user access governance, system integrity monitoring, coordination with Safaricom PLC and RevTech on all technical matters, backend data verification, bank integration management, provision of GIS cadastral data for Phase Three implementation, and ensuring that the digital revenue infrastructure functioned reliably in support of the County's approved OSR targets of Kshs. 3,804,073,100 for FY 2024/2025 and Kshs. 3.6 billion for FY 2025/2026.

148. The Committee established that the ICT Directorate was not a peripheral participant in IRMS governance. It held the following specific, documented access and authority over the system:

149. Following the emergence of revenue leakage allegations in mid-2024, backend Read-Only access to the IRMS was granted to four designated County officials as follows:

i. Mr. George Okong'o - the CECM for Finance
ii. Ms. Maurine Awuor - the Director ICT;
iii. Mr. Stephen Agalo - the Deputy Director ICT;
iv. Mr. Ceaser Magak - ICT Officer from the Revenue Board.

150. Under Phase Two of the IRMS deployment, Privileged Identity Management (PIM) was introduced, granting the Director ICT administrative control over all user access to the system — the highest level of County-side system authority available. This was confirmed at the Committee Sitting No. 23 (Minutes No. 5/CAK/AD-HOC/13/05/2026) (see the annexture).

151. The Committee accordingly finds that the ICT Directorate operated from a position of both technical expertise and institutional authority throughout the period under review. The failures documented on the IRMS cannot therefore be attributed to a lack of access, a lack of mandate, or a lack of professional capacity as was claimed by the Director in the Committee sitting No. 23. They are failures of will, diligence and professional judgment.

Committee Finding

152. The Committee finds that the ICT Directorate held backend Read-Only access, PIM administrative authority over user access, bank integration responsibility, Joint Technical Committee representation, and the professional mandate to serve as the County's primary defence against the system integrity failures subsequently uncovered by the County Assembly's own ICT and financial auditors. The failure to discharge that mandate is accordingly inexcusable.

Failure to Challenge the Fifteen-Month Oversight Blindness

153. From 18th December 2023 to March 2025 — a period of fifteen (15) months — the County operated without any backend access to the IRMS. The Committee found that during this period, County staff were granted access only to the application-side user interface, and that Safaricom PLC withheld backend environment access, meaning the County had no ability to independently audit, verify or investigate the integrity of transaction data for the entire first year of the system's operation.

154. The ICT Directorate, as the County's principal technology function and the unit uniquely equipped to understand the governance implications of this arrangement, made no documented objection to the withholding of backend access. It issued no formal advisory to the CECM Finance or the County Executive on the audit, verification and integrity risks this arrangement created. It made no recorded demand to Safaricom PLC for earlier access than was eventually conceded following the emergence of revenue leakage allegations in mid-2024.

155. The Committee notes that this fifteen-month oversight blindness is the period during which many of the system deficiencies subsequently identified by the May 2026 ICT audit; including test data in the live production environment from February 2024, systematic invoice irregularities, and unreceipted transactions; took root and became embedded in the system's operational records.

Committee Finding

156. The Committee finds that the ICT Directorate's failure to formally challenge the withholding of backend access for fifteen (15) months constitutes a foundational failure of technical oversight that directly enabled the integrity deficiencies subsequently documented in the ICT Audit Report of May 2026. A Directorate that accepted operational blindness over a system managing hundreds of millions of shillings in public revenue, without formal objection or escalation, failed in its most basic institutional duty.

Non-Detection of Critical System Vulnerabilities

157. The ICT Audit Report (Kisumu County Integrated Revenue Management System, May 2026), produced by the County Assembly's ICT Officer following the grant of auditor-level access credentials to the system, identified critical findings which relate to deficiencies that were present in the live system during the ICT Directorate's fourteen (14) months of backend access from March 2025 to May 2026. None were independently identified, escalated, or remediated by the Directorate during that period.

Committee Finding

158. The Committee finds that the ICT Directorate's failure to identify any of the eight critical vulnerabilities documented in the ICT Audit Report (May 2026); during fourteen months of backend access; constitutes a systemic failure of technical oversight that is inconsistent with the Directorate's mandate and the access it held.

4D.4 Failure in Relation to the 887,086 Transaction Archiving Exercise

159. The Committee finds that the Director ICT's silence in the face of the archiving of 887,086 revenue transactions; an exercise that Safaricom's own engineers objected to on technical grounds, and that has created an alleged Kshs. 273,000,000 revenue discrepancy; constitutes a serious dereliction of the technical stewardship obligation her office carried. A Director holding PIM administrative control over a revenue management system who neither objected to nor formally reported a mass data deletion exercise of this magnitude cannot claim ignorance as a defence.

4D.5 Reconciliation Architecture and Bank Integration Failures

160. The Committee found that the following specific reconciliation and bank integration failures within the ICT Directorate's technical mandate, as confirmed through evidence at Sitting No. 21 (Minutes No. 4/CAK/AD-HOC/14/05/2026) and Sitting No. 23 (Minutes No. 5/CAK/AD-HOC/13/05/2026):

161. Payment postings took multiple days to reflect in the IRMS, directly impairing real-time reconciliation and client service; a persistent and known deficiency that the Directorate neither resolved nor successfully escalated to Safaricom for remediation.

162. Reconciliation between the County and Safaricom was conducted only on a quarterly basis — a structurally deficient arrangement identified by the Committee as a direct contributor to the progressive accumulation of the Kshs. 32,000,000 in arrears that triggered the system shutdown of February 2026. The Directorate accepted this arrangement without formal objection or escalation.

163. Automated reconciliation was absent from the system. No interim manual reconciliation protocol was commissioned, implemented or advocated for by the Directorate to compensate for this gap.

164. Bank integration with KCB and other banks was coordinated by the County ICT team, but automated matching of payments remained ineffective. Unidentified bank payments lacking Bill Reference Numbers or payer details required manual matching against bank statements; a gap the Directorate coordinated but did not resolve (Sitting No. 23, Minutes No. 5/CAK/AD-HOC/13/05/2026).

165. Between twenty-one (21) and twenty-three (23) hospital Paybill numbers, operating outside the central Pay Bill 425542 and accounting for Kshs. 1,932,649,051 in FY 2024/2025 — the dominant driver of OSR growth — remained outside the IRMS automated reconciliation framework (Sitting No. 23, Minutes No. 5/CAK/AD-HOC/13/05/2026). The Directorate made no documented effort to bring these Paybills within the automated system, despite the scale of the accountability gap this created.

Committee Finding

166. The Committee finds that the reconciliation architecture failures documented above; including the quarterly reconciliation cycle, the absence of automated reconciliation, ineffective bank payment matching, and the exclusion of twenty-one to twenty-three hospital Paybills from the automated framework; are systemic technical failures that fall squarely within the ICT Directorate's mandate and that the Directorate failed to resolve or formally escalate throughout its period of system oversight.

4D.6 Stalled Phase Three Delivery

167. Safaricom PLC's formal response to the Committee dated 18th May 2026 (referenced CAK/AD-HOC/OSR/008/2026) confirms that Phase Three of the IRMS; covering GIS and Mapping integration, the e-Construction module, Hire of County Assets, and remaining Outdoor Advertising integration; stood at ninety-six per cent (96%) completion as of the date of the Report, with finalisation pending the County's provision of GIS cadastral data. The implementation status table at Section 4A.3 of the Report records Phase Three as:

Status; 96% Complete; Payment/Dispute Status; Pending, County yet to provide GIS cadastral data.

168. The compilation, management and provision of GIS cadastral data is an ICT function. The Directorate's failure to provide this data — for a module that had been outstanding for over one year while the County continued paying the four per cent (4%) SaaS commission on all revenue streams — directly stalled the completion of contractual deliverables for which the County had already incurred financial obligations.

Committee Finding

169. The Committee finds that the ICT Directorate's failure to provide GIS cadastral data required to complete Phase Three is an operational failure that has cost the County access to fully commissioned contractual deliverables while simultaneously incurring ongoing SaaS commission charges on a partially delivered system.

4D.7 Self-Service Portal and USSD Channel Limitations

170. Section 4A.6 of the Report documents that, beyond the eight formal audit findings, additional operational deficiencies persisted in the system throughout the period under review. In particular: the Self-Service Portal had been suspended; and the USSD channel (*427#) was restricted to only three revenue streams — Parking, Bus Park and Cess — rather than the comprehensive suite of streams required under the tender specifications for Tender No. CGK/FIN/OP/2023-2024/005.

171. These limitations materially reduced public access to digital payment channels and directly undermined the County's strategy to eliminate cash-based and off-system revenue collection — the very leakages that field visits to Kibuye Market on 29th March 2026 and Kombewa Market on 27th March 2026 confirmed were occurring at scale. The ICT Directorate, as the County's technical liaison with Safaricom, bore responsibility for monitoring and enforcing the full activation of all contracted channels and failed to do so.

Committee Finding

172. The Committee finds that the suspension of the Self-Service Portal and the restriction of the USSD channel to three revenue streams — both persisting without documented escalation by the ICT Directorate — are operational failures that directly contributed to the continued prevalence of off-system cash collection documented by the Committee's field verification exercises.

4D.8 The February 2026 System Shutdown — ICT Directorate's Contributory Role

173. The Committee established at Section 4A.4 of the Report that in February 2026, Safaricom PLC suspended the IRMS following the County's failure to settle outstanding contractual obligations comprising Kshs. 27,000,000 in unpaid SaaS commissions and Kshs. 5,300,000 in auxiliary services, totalling in excess of Kshs. 32,000,000. The financial consequences of this shutdown, as documented in the comparative revenue table at Section 4A.4, were severe:

Period	No. of Days	Revenue Collected (Kshs.)	Daily Average (Kshs.)
7 days pre-shutdown	7	46,837,930.80	6,691,132.97
4 days of system shutdown	4	12,103,390.55	3,025,847.64
7 days post-restoration	7	24,614,107.50	3,516,301.07
Revenue lost vs pre-shutdown	—	**Kshs. 34,734,540.25 (est.)**	**74% decline (shutdown period)**

174. While the Committee's primary finding on the shutdown attributes responsibility to the CECM Finance and the County Treasury for failure to honour known contractual obligations, the ICT Directorate contributed to the conditions that made the shutdown possible. The quarterly reconciliation arrangement, which the Directorate accepted without formal objection, directly impaired the real-time detection of the accumulating payment gap. The Directorate neither flagged the growing arrears as a risk to system continuity nor developed or proposed any Business Continuity Plan or alternative collection arrangements to protect revenue operations in the event of a system failure.

Committee Finding

175. The Committee finds that the ICT Directorate's acceptance of the quarterly reconciliation arrangement without objection, and its failure to develop any Business Continuity Plan for the IRMS, contributed materially to the conditions in which the February 2026 shutdown; causing a seventy-four per cent (74%) collapse in daily revenue over four days and estimated losses of Kshs. 34,734,540.25; became possible.

4D.9 Overall Assessment of the Directorate of ICT Performance

176. Having regard to all evidence received and the analysis set out above, the Committee makes the following overall assessment of the performance of the ICT Directorate and the personal culpability of the Director ICT.

177. The County ICT Directorate held backend Read-Only access from March 2025, PIM administrative authority over all user access, bank integration coordination responsibility, Joint Technical Committee representation, and the professional expertise to serve as the County's primary technical safeguard against the IRMS integrity failures that the Committee has now fully documented. It did not discharge that mandate.

178. The pattern of conduct throughout the period December 2023 to May 2026 is one of chronic institutional passivity. The Directorate was silent for fifteen months during the period of oversight blindness. It held backend access for fourteen months without independently identifying a single one of the critical vulnerabilities subsequently uncovered by the County Assembly's auditor in a matter of weeks. It raised no objection and filed no advisory in connection with the archiving of 887,086 transactions. It allowed the USSD channel to remain restricted to three revenue streams, the Self-Service Portal to remain suspended, the GIS cadastral data to remain unsubmitted, the reconciliation architecture to remain structurally deficient, and the hospital Paybills to remain outside automated reconciliation; all without formal escalation to the CECM Finance, the County Executive or the County Assembly.

179. The Director ICT's personal culpability flows directly and inseparably from this institutional record. As head of the Directorate, Ms. Maurine Awuor bore ultimate accountability for its discharge of mandate. Her attendance at Sitting No. 23 on 20th May 2026 and her submission of a Clarification Report on 21st May 2026, while noted, do not offset the gravity or cumulative weight of the failures documented across the full operational period. The Committee is satisfied that the characterization that most accurately describes the ICT Directorate's performance is that it was technically present but institutionally absent; occupying positions of access and authority without exercising them in the public interest throughout the period that mattered most.

Committee Finding

180. The Committee finds that the County ICT Directorate failed to discharge its mandate as the principal technical custodian of the IRMS across the full period of the system's operation, and that the Director ICT, Ms. Maurine Awuor, is personally culpable for those failures in her capacity as head of the Directorate. The Committee further finds that whether these failures were the product of negligence or deliberate facilitation of the integrity breaches documented in this Report is a question that can only be conclusively determined through independent investigation by the appropriate authorities.

4D.11 Recommended Sanctions

181. Having established culpable conduct on the part of the Director ICT and collectively the ICT Directorate, the Committee recommends the following sanctions and remedial actions:

182. **THAT** the County Public Service Board institute formal show-cause proceedings against Ms. Maurine Awuor, Director ICT, and Mr. Stephen Agalo, Deputy Director ICT, requiring them to account specifically for:

a. the eight critical audit findings supported by IT Annexes 1 through 9 of the ICT Audit Report (May 2026), that went undetected during their fourteen (14) months of backend access from March 2025 to May 2026;

b. their failure to object to or formally report the archiving of 887,086 IRMS transactions that created the alleged Kshs. 273,000,000 revenue discrepancy; and

c. the failure to provide GIS cadastral data required for the completion of Phase Three deliverables under the Safaricom PLC contract;

183. **THAT** the County Public Service Board conduct a formal performance review of the ICT Directorate covering the full operational period from 18th December 2023 to the date of this Report, with findings reported to the County Assembly within sixty (60) days of adoption of this Report;

184. **THAT** GIS cadastral data be provided to Safaricom PLC within 60 days to enable the immediate completion of Phase Three of the IRMS, and that failure to do so within fourteen (14) days be treated as grounds for further disciplinary action;

PART V

GENERAL FINDINGS OF THE COMMITTEE

Mr. Speaker and Honourable Members,

185. Having regard to all the evidence received, investigations conducted and analysis undertaken, the Committee sets out the following findings:

i. **Revenue Leakage and Off-System Collection.**

The Committee has established, with direct and documented evidence, that revenue is being diverted from the County's Revenue fund through informal cash-based collection arrangements operating entirely outside the IRMS. The Kibuye Market field visit provided concrete and unambiguous evidence of this practice. The IRMS data cannot, therefore, be relied upon as an accurate or complete representation of actual revenue generated at Kisumu County's markets and collection points.

ii. **Systemic Non-Compliance at Collection Points**

The Committee has found that revenue collection at key market sites is characterised by widespread non-compliance, selective enforcement and the systematic omission of mandatory levies including parking fees. A non-compliance rate of approximately sixty-three per cent (63%) was documented at Kibuye Market, and the Committee has no basis to assume that this rate is exceptional or atypical of other collection points.

iii. **Governance Deficit at the Revenue Board**

The Kisumu County Revenue Board is not properly constituted in accordance with the Kisumu County Revenue Administration (Amendment) Act, 2022. The indefinite suspension of Board members without conclusion of investigations, communication of findings or commencement of disciplinary proceedings is procedurally irregular and contrary to Article 47 of the Constitution and the Fair Administrative Action Act, 2015. This renders the Board's decisions and directives legally vulnerable and creates a governance vacuum that undermines the integrity and strategic direction of the County's revenue administration.

iv. **Contractual Mismanagement and Systemic Risk**

The County's dependence on a single service provider for its entire digital revenue management infrastructure, without adequate contractual safeguards, performance benchmarks, data protection provisions or exit provisions, constitutes an unacceptable operational and legal risk. The system shutdown of February 2026,

resulting in a seventy-four per cent (74%) collapse in daily collections over four days, is the most vivid manifestation of this risk. The introduction of the four per cent (4%) recurrent commission charge through post-award correspondence raises further concerns of procurement irregularity.

v. **Reconciliation and Reporting Failures**

Delayed, incomplete and inconsistent reconciliation of revenue collected through multiple channels has undermined fiscal accountability and audit assurance. The mismatch between the Kshs. 3.6 billion approved budget target and the Kshs. 2.1 billion performance contract target; a discordance of Kshs. 1.5 billion; reflects a fundamental and deliberate failure of financial governance. Additionally, the failure to fully sweep daily collections to the CRF account contravenes Section 109(4)(b) of the PFM Act.

vi. **Legal Impediments to Revenue Mobilisation**

Outstanding litigation regarding the County's Draft Valuation Roll, 2017 in the matter of Lake Region Traders Association (On behalf of its members and in the public interest) v County Government of Kisumu [2026] KEELC 45 (KLR), has effectively suspended the County's lawful basis for levying and collecting property rates, directly constraining a significant revenue stream.

vii. **Weak Enforcement and Accountability Culture**

The Committee has observed a systemic culture of weak enforcement and inadequate disciplinary response to revenue officer misconduct, characterised by a tendency to transfer rather than sanction errant staff. Officers implicated in revenue diversion have been reabsorbed into the payroll without recovery of lost revenue or prosecution, notwithstanding that such conduct is similar to offences under Section 198(1) of the PFM Act.

viii. **Arbitrary and Unlawful Taxation**

Revenue officers have been found to impose charges inconsistent with the Kisumu County Finance Act, including clamping fees of between Kshs. 7,500 and Kshs. 15,000 against a lawful rate of Kshs. 1,500. Simultaneously, large businesses and petrol stations have been found to be significantly undercharged, with billing left to the arbitrary discretion of individual revenue officers rather than applied consistently in accordance with the law.

ix. **Unscientific Revenue Target Setting**

The County Treasury has not developed a scientific, data-driven framework for allocating OSR targets by sub-county based on population, economic activity, historical collections or market potential. The resulting arbitrary allocation has produced absurdities such as Nyakach Sub-County's forty staff generating a target of only Kshs. 23,000,000 and Muhoroni Sub-County's twenty staff being assigned a target of Kshs. 80,000,000 against which only Kshs. 25,000,000 was collected by May 2026.

x. **Premature Internalisation of Investigation and Denial of Legal Process**

Notwithstanding that the CECM Finance is himelf a subject of findings and recommendations in this Report. This The Committee observes that the investigation into the alleged revenue fraud was conducted internally by the County Executive with the CECM Finance as team leader, arrangement is a structural conflict of interest that fundamentally compromises the independence and credibility of the investigation. The Committee finds that the Office of the County Attorney, failed in his professional and constitutional duty by not advising the County Executive to discontinue the internal investigation and instead refer the matter to the Director of Criminal Investigations and the Ethics and Anti-Corruption Commission; particularly given the complexity, scale and seniority of the persons implicated. The fact that an investigation report purportedly clearing implicated staff was produced but has not been received or published by the County Secretary further reinforces concerns about the integrity of the process.

xi. **Hospital Paybill Accountability Gap**

The Committee finds, based on disclosures made at Sitting No. 23, that between twenty-one (21) and twenty-three (23) additional Paybill numbers were issued to county hospitals for patient fee collection, operating outside the central Pay Bill 427 used by the ICRMS. These hospital Paybills are not integrated into the revenue management system but are manually reported, creating a significant accountability gap. Given that hospital fees constituted Kshs. 1,932,649,051 in FY 2024/2025; the dominant driver of OSR growth ; the absence of automated reconciliation for these Paybills means that the accuracy and completeness of hospital revenue reporting cannot be independently verified through the ICRMS.

FINDINGS ON SYSTEMIC AND ADMINISTRATIVE CHALLENGES IN REVENUE MANAGEMENT

Mr. Speaker and Honourable Members,

186. This part forms a consolidated technical and administrative evaluation of the systemic challenges, operational vulnerabilities, and structural gaps identified in the management and administration of Own-Source Revenue (OSR) in Kisumu County.

187. The analysis is based on extensive evidence gathered, recorded, and tested across twenty-three (23) formal sittings of the Ad-Hoc Committee on Own-Source Revenue, including technical engagements at Sitting No. 21 (14th May 2026), Sitting No. 22 (19th May 2026), and Sitting No. 23 (20th May 2026). The findings highlight the critical need for comprehensive institutional reforms, enhanced data protection controls, and the standardization of contract management frameworks across the County Executive.

9.1 Technical Review of the IRMS Suspension (February 2026)

188. The Committee established that in February 2026, Safaricom PLC suspended the Integrated Revenue Management System (IRMS) following an accumulation of contractual arrears totalling approximately **Kshs. 32,000,000**. This figure comprised roughly Kshs. 27,000,000 in Software-as-a-Service (SaaS) commissions and Kshs. 5,300,000 in auxiliary services.

189. The data indicates that the financial impact of the shutdown was acute:

I. During the four days of system suspension, daily revenue collections declined by seventy-four per cent (74%), dropping from a pre-shutdown average of Kshs. 6,691,132.97 per day to Kshs. 3,025,847.64.

II. This drop resulted in an estimated short-term revenue variance of Kshs. 34,734,540.25 against pre-shutdown benchmarks, with collection figures remaining depressed for seven days following system restoration.

Institutional Finding

190. The Committee observes that the interruption of the IRMS highlights an over-reliance on a single digital interface without adequate business continuity protocols or real-time reconciliation safeguards. The system suspension arose from structural bottlenecks within the inter-departmental payment authorization chain and a quarterly reconciliation cycle that proved inadequate for tracking rapidly growing commission-based liabilities. The Committee notes that the escalation of these arrears could have been mitigated through a more agile, monthly reconciliation framework between the County Treasury and the service provider.

9.2 Statutory Compliance and Daily Revenue Sweeping

191. Section 109(4)(b) of the Public Finance Management (PFM) Act, 2012 sets out the mandatory requirement for all county revenue to be fully swept into the County Revenue Fund (CRF) on a daily basis.

192. A review of sampled KCB bank statement records from July 2024 revealed residual balances totalling Kshs. 1,947,033.02 across five distinct days, indicating that full automated daily sweeping was not consistently achieved during that specific period.

Institutional Finding

193. The Committee notes that persistent residual balances in collection accounts are primarily driven by technical lag times between commercial bank posting systems and the IRMS ledger integration. To ensure absolute alignment with Section 109 of the PFM Act, 2012, the County Treasury must work in coordination with financial institutions to eliminate manual clearings and transition toward a fully automated, instantaneous sweeping protocol.

9.3 Revenue Target Alignment and Performance Contracts

194. The approved Own-Source Revenue budget target for the County Government in FY 2025/2026 is Kshs. 3.6 billion. However, documentation evaluated in Part IV and Part V reveals that the performance contract of the Chief Executive Officer of the Kisumu County Revenue Board was pegged at Kshs. 2.1 billion.

Institutional Finding

195. The Committee finds that the Kshs. 1.5 billion variance between the statutory budget approved by the County Assembly and the executive performance contract target reflects a fundamental structural mismatch. While setting conservative performance contracts may be an administrative strategy to manage risk, it effectively creates a dual tracking system that dilutes the operational urgency required to achieve the County's full revenue potential. There is an urgent need to harmonize the revenue planning framework so that executive performance instruments directly mirror legislated targets.

196. By approving or permitting a performance contract that sets the principal revenue officer's target at fifty-eight per cent (58%) of the approved budget, the CECM Finance effectively predetermined an annual structural revenue shortfall of Kshs. 1.5 billion before each financial year begins. The Committee found this arrangement indefensible. It constitutes a deliberate institutionalised underperformance engineered at the executive level, and it has directly contributed to the County's persistent failure to meet its approved OSR target of Kshs. 3.6 billion.

9.4 Governance and Administrative Status of the Revenue Board

197. The Committee reviewed the administrative events of 4th December 2024, where several members of the Kisumu County Revenue Board—including

i. Mrs. Mary Celestine Odhiambo,

ii. Mr. Chandrakant Devji Chhabhadia,

iii. Hon. Stephen Ouma Owiti,

iv. Prof. Ondiek Benedict Alala, and

v. former Chairperson Dr. Hezron McObewa—were requested to step aside pending an internal inquiry into transaction discrepancies.

198. The Kisumu County Revenue Administration (Amendment) Act, 2022 places the Revenue Board under the supervision of the CECM Finance. The indefinite suspension of Board members without conclusion of investigations, communication of findings or commencement of disciplinary proceedings is procedurally irregular and a violation of Article 47 of the Constitution and the Fair Administrative Action Act, 2015. The CECM Finance bears supervisory accountability for this governance vacuum and for its consequences on revenue administration performance.

199. The Committee noted that as of May 2026, this status remained unresolved:

i. No formal administrative conclusions had been finalized or communicated to the affected members.

ii. Two formal letters of resignation submitted in March 2026 had yet to receive definitive executive responses.

iii. Management duties had been temporarily overseen by a technical committee under the Kenya Devolution Support Programme (KDSP) framework.

Institutional Finding

198. The Committee notes that the prolonged absence of a fully constituted, functional Board has created a governance vacuum that complicates long-term strategic planning and weakens institutional oversight. While temporary administrative measures like the KDSP technical committee support baseline operations, they lack the statutory anchor provided by the Kisumu County Revenue Administration (Amendment) Act, 2022. Broad

compliance with fair administrative principles requires that internal inquiries be concluded expeditiously to allow for the proper regularization and reconstitution of the Board.

9.5 Evaluation of Internal Revenue Audit Practices

199. Testimony received during Sitting No. 22 established that following reports of an unauthorized archiving of approximately 887,086 transactions (associated with a projected system discrepancy of Kshs. 273,000,000), an internal investigative team was constituted within the County Executive to perform a data cleanup and verification exercise.

Institutional Finding

200. The Committee notes that while internal audits and executive verification teams are essential tools for internal control, they lack the structural independence required to provide absolute assurance to external oversight bodies like the County Assembly and the Auditor-General. To maintain public trust and protect system integrity, significant data anomalies or software discrepancies must be subjected to independent, third-party forensic audits rather than purely internal administrative reviews.

9.6 Technological and Contractual Vulnerabilities

201. A comprehensive legal and technical analysis of the active contract with Safaricom PLC revealed several structural gaps that limit the County's ability to enforce optimal system performance:

i. **Lack of Performance Linkages:** The contract lacks precise, measurable Key Performance Indicators (KPIs) or automated mechanisms linking SaaS commissions directly to system uptime.

ii. **Liability Capping:** The vendor's aggregate liability is restricted to the total contract price, and standard exceptions for consequential data variances are not explicitly preserved.

iii. **System Safeguards:** The presence of two unrestricted Super Administrator accounts and the lack of automated data-validation controls leave the platform vulnerable to entry errors and transactional duplication.

Institutional Finding

186. The Committee finds that the vulnerabilities identified within the digital infrastructure represent a systemic oversight gap in contract management across both the legal and financial design teams. It is imperative that future software procurement cycles move away from open-ended, percentage-based commission models and instead adopt capped fee structures tied to robust, legally enforceable Service Level Agreements (SLAs).

9.3.6 Supervisory Responsibility for Safaricom PLC Contractual Failures

187. The Committee's review identified multiple material failures in the management of the Safaricom PLC contract, all of which fall within the CECM Finance's sphere of supervisory oversight:

188. **Inadequate contractual safeguards:** The contract contains no measurable Key Performance Indicators, no liquidated damages for system downtime, an inadequate liability framework excluding indirect and consequential losses, non-compliance with the Data Protection Act, 2019, and no structured exit or transition framework. These deficiencies were not corrected despite the CECM Finance's supervisory authority.

189. **Structurally deficient reconciliation:** Reconciliation between the County and Safaricom PLC was conducted only quarterly, a structurally deficient arrangement that directly enabled the accumulation of the arrears that caused the February 2026 shutdown. The CECM Finance did not correct this arrangement despite its evident inadequacy.

PART VI

GENERAL RECOMMENDATIONS OF THE COMMITTEE

6.1 On institutional and Governance Reforms

Mr. Speaker and Honourable Members,

190. The Committee recommends;

i. **THAT** the CEC Member for Finance, Economic Planning and ICT, within sixty (60) days upon adoption of this Report, is hereby directed to ensure that the Kisumu County Revenue Board is properly constituted in accordance with Section 3A(2) and 3(5) of the Kisumu County Revenue Administration (Amendment) Act, 2022;

ii. **THAT** the Committee, having established a 69.8% collapse in rent collections by Charcon Properties Limited, procured under the supervision of the Acting City Manager, and having further established significant revenue losses in respect of Outdoor Advertisement (ODA) revenue streams delegated to the City pursuant to Gazette Notice No. 6298 of May 2024, finds that there was gross failure of supervisory oversight and accountability on the part of the Acting City Manager. Further, noting that Mr. Abala Wanga has served in an acting capacity beyond the period prescribed

under Regulation 23 of the Public Service Commission Regulations, 2020, His Excellency the Governor is hereby directed to relieve Mr. Abala Wanga of his duties as Acting City Manager with immediate effect upon adoption of this Report and to ensure that a substantive City Manager is competitively recruited and appointed within sixty (60) days of the adoption of this Report.

iii. **THAT** having found that the Acting City Manager issued allotment letters for market stalls (including Stalls B4, A3, A4, A5, and A6 in Kibuye Market) without formal contract documentation, the Office of the Auditor General is hereby requested to commission a comprehensive audit of all stall and property allocations within the City made under his authority to determine whether any allocations were made irregularly, corruptly, or in favour of connected parties and whether revenue due to the County was thereby diverted or suppressed.

iv. **THAT** following the Gazette Notice no. 6298 on delegation of revenue collection responsibilities to the Kisumu City Board, issued on May 2024, pursuant to the Urban Areas and Cities Act and the approval of this House, the delegation of revenue collection issued to the Kisumu City Board by the House be mandated to review and consider revocation of the Notice in accordance with Article 184 of the Constitution of Kenya 2010 read together with Section 11 (1) (b) of the Urban Areas and Cities (Amendment) Act, 2019. Upon such consideration, the Kisumu County Revenue Board shall in accordance with Section 157 of the Public Finance Management Act, 2012 read together with Section 3A (3) of the Kisumu County Revenue Administration (Amendment) Act, 2022 be the principal revenue collector for County of Kisumu, including revenue within the City.

v. **THAT** pursuant to Section 3H of the Kisumu County Revenue Administration (Amendment) Act, 2022 the CEC Member for Finance, Economic Planning and ICT is hereby directed to appoint a substantive CEO for the Revenue Board within sixty (60) days upon adoption of this report

vi. **THAT** the Committee, having found that the Board's supervisory jurisdiction exercised through the office of the CEO, fell short of statutory standards which allowed for continued revenue fraud marred with extensive administrative incompetence of the Ag. CEO Mr. Philip Adundo. The CEC Member for Finance, Economic Planning and ICT is hereby directed to relieve the Ag. CEO of his duties at the Kisumu County Revenue Board.

vii. **THAT** the County Secretary, as Head of the County Public Service, to ensure that disciplinary action procedures prescribed in the Human Resource Policies and Procedures Manual for Public Service governing suspension, investigation, disciplinary proceedings and removal from office of members of statutory boards and public officers are complied with, to prevent a recurrence of the institutional paralysis occasioned by the indefinite and unresolved stepping-aside of Revenue Board members; and, that all

disciplinary proceedings against the Board members and revenue officers be concluded within 21 days upon adoption of this report and a report on the matter be submitted to the County Assembly for information;

viii. **THAT** moving forward, the performance contract of the Kisumu County Revenue Board CEO on OSR collection targets should be aligned with the approved budgetary targets and the process should be made public;

ix. **THAT** the CEC Member for Finance, Economic Planning and ICT develop and implement a scientific, data-driven framework for the allocation of OSR targets to sub-counties**,** and individual revenue officers incorporating population data, economic activity indices, historical collection records and market potential assessments, to replace the current arbitrary allocation model within 120 days (3rd October 2026) of the adoption of this Report.

x. **THAT** following the Committee finding that the Kisumu County Revenue Board is incapable of enforcing revenue collection, this Honourable House pursuant to Article 185 of the Constitution of Kenya, 2010 read together with Section 8 of the County Government's Act 2012, within sixty (60) days upon the adoption of this report, cause an amendment on the Kisumu County Revenue Administration Amendment Act to separate revenue enforcement from the Board and mandate the County Directorate of Enforcement to provide enforcement services on revenue collection.

6.2 On revenue System Integrity and Accountability

191. The Committee recommends;

i. **THAT** the Office of the Auditor General commissions an independent forensic audit of the Integrated Revenue Management System (IRMS) within 60 days upon adoption of this report to;
    a. Assess system performance;
    b. Review records for the period between September 2023 to December 2024 being records for structured and unstructured unpaid invoices subject to an alleged deletion by Safaricom between 9th September 2024 to 2nd October 2024;
    c. Evaluate the phased implementation of the system across various collection points; and
    d. Verify the accuracy and completeness of IRMS records from the period the system went live on 18th December 2023 to date.

ii. **THAT** the County Government, through the CECM Finance within 14 days upon adoption of this report:

(a) work jointly with Safaricom PLC and RevTech to ensure full implementation and optimization of the Integrated Revenue Management System, particularly Phase III components across all identified revenue streams and collection points;

(b) undertake and finalize comprehensive reconciliation of all outstanding payments, invoices and transaction records between the parties;

(c) direct Safaricom PLC to continue addressing and resolving any duplicate invoice generation issues arising from network connectivity challenges in areas including Muhoroni and Kombewa; and

(d) formalise a mutual change management process requiring written approval by both parties for any material system modification, enhancement or operational adjustment.

iii. **THAT** upon the expiry of the contract between Safaricom PLC and the County Government of Kisumu on the Automated and Integrated County Revenue Management System, the County Government should develop its own Integrated Revenue Management system in house or procure an integrated revenue system through a competitive and open tender process to be solely owned by the County.

iv. **THAT**, following a comprehensive review of the performance and operational oversight of the County Directorate of ICT, the Committee establishes that the Directorate as an institution failed to adequately monitor, audit, and warn the County Government regarding systemic vulnerabilities and revenue risks attributed to the Integrated Revenue Management System (IRMS) integrity. Consequently, the County Public Service Board is hereby directed to undertake a comprehensive administrative and personnel audit of the entire ICT Directorate management tier and to relieve; the Director Ms. Maurine Awuor and the Deputy Director Mr. Steve Agalo from their duties for gross incompetence and a formal disciplinary proceedings be instituted against the Director, the Deputy Director ICT and ICT Officer Mr. Lawrence Okungú.

v. **THAT** the County Secretary is hereby directed within 90 days to do structural adjustments in the Directorate of ICT to address collective administrative lapses and performance gaps, and formal institutional disciplinary frameworks should be activated regarding any systemic failure to protect the County's digital assets.

vi. **THAT**, given the technical complexity surrounding the unauthorized archiving of approximately 887,086 transactions and the Committee's findings on the gaps in departmental oversight, the Directorate of Criminal Investigations (DCI) is hereby directed to conduct a holistic, forensic cyber-investigation into the administration of the IRMS platform. This investigation should focus on the deployment and use of highest-level Administrative Control (PIM) accounts managed by Ms. Maurine Awuor, Mr. Lawrence Okungu and Mr. Steve Agalo, systemic data manipulation risks, and whether

the collective failure by the department to flag or object to large-scale data modifications constitutes an omission or facilitation of economic regularities under Section 45(2) of the Anti-Corruption and Economic Crimes Act, 2003.

vii. **THAT**, noting that the overall project management and supervisory mandate of the Directorate of ICT governing the operations of the IRMS allowed for structural vulnerabilities that resulted in revenue leakages and pilferage, the Ethics and Anti-Corruption Commission (EACC) is hereby requested to institute a systemic inquiry into the management and oversight protocols of the IRMS project. The investigation should target the systemic breakdowns in executive supervision, failure of internal controls, and corporate accountability failures within the project management structure to establish institutional culpability and safeguard public funds.

viii. **THAT** following the review of the performance of the County Directorate of ICT and having established that the Directorate failed or neglected to warn the County Government on revenue loses attributed to IRMS integrity, the County Public Service Board is hereby directed to relieve; the Director Ms. Maurine Awuor and the Deputy Director Mr. Steve Agalo from their duties pending investigation for gross incompetence and a formal disciplinary proceedings be instituted against the Director, the Deputy Director ICT and ICT Officer Mr. Lawrence Okungú.

ix. **THAT** the County Revenue Board implement real-time IRMS compliance monitoring mechanisms at all major markets**,** including self-service automated cross-checks between vehicle entry logs and IRMS transaction records, and supervisory oversight protocols for revenue officers;

x. **THAT** the County Government develop and implement a Revenue Business Continuity Plan within one year upon adoption of this Report that includes alternative system backup arrangements, redundant collection channels and standing procedures to ensure revenue operations are not suspended in the event of any single-point contractual or technological failure.

6.3 On Legal Remediation

192. The Committee recommends;

i. **THAT** the County Attorney pursue resolution of the pending litigation regarding the Draft Valuation Roll, 2017; *Lake Region Traders Association v County Government of Kisumu [2026] KEELC 45 (KLR)* as a matter of urgency, engaging competent legal counsel to expedite a favourable determination and restore the County's capacity to lawfully levy and collect property rates.

6.4 On enforcement, Compliance and Anti-Corruption

193. The Committee recommends;

i. **THAT** the County Secretary and the County Public Service Board immediately institute legal and disciplinary proceedings against all officers documented as having engaged in revenue malpractice, misappropriation or financial misconduct**,** in compliance with Section 198(1) of the Public Finance Management Act, 2012, and that no such officer be reassigned to revenue-related supervisory roles pending conclusion of proceedings; it is recommended that in addition to the persons expressly mentioned in this report, the following be immediately interdicted and prosecuted if found culpable upon investigation;

Name	**Position/Department**	**Allegation**
1. Hosea Onono	City Enforcement Officer	soliciting bribes in constructions sites, parking etc
2. Elizabeth Oindo	Physical Planner	Soliciting bribes in construction sites
3. Elizabeth Kakai	Revenue Collector	Underbilling of single business permits for petrol stations and billed revenue for ODAs.
4. Carolyne Gao	Revenue Collector	Deliberately ignored to charge tomato vehicles belonging to select traders within Kibuye Market.
5. Joseph Olum	Kibuye Market Superintendent	Deliberate failure to supervise revenue collection from parked vehicles within Kibuye Market and the collection of revenue off the IRMS.
6. Regina Akoyo	Revenue Officer	Collecting revenue off the IRMS in Kibuye.
7. Anastacia Ojwang	Revenue Officer	Collecting revenue off the IRMS in Kibuye.
8. Syprose Odie	Revenue Officer	Collecting revenue off the IRMS
9. Pauline Migoya	Revenue Officer	Collecting revenue off the IRMS
10. Pauline Buyu	Revenue Officer	Collecting revenue off the IRMS
11. Alice Cheto	Revenue Officer in Muhoroni Sub-County	Collecting revenue off the IRMS

12. Ted Lusi	Revenue Officer in Muhoroni Sub-County	Collecting revenue off the IRMS
13. George Ong'ure	Revenue Officer in Muhoroni Sub-County	Collecting revenue off the IRMS
14. Andrew Juma Oliech	Revenue Officer in Muhoroni Sub-County	Collecting revenue off the IRMS
15. Fred Misigo	Director; Physical Planner	Soliciting bribes in construction approvals
16. Robert Mautia	Revenue Officer	Undercharging of revenue related to Oil Stations
17. Jane Owoko	Revenue Officer	Undercharging of revenue related to Oil Stations

ii. **THAT** the Ahero-Awasi Municipality resolution as communicated by the Municipal Manager Mr. Orengo exempting roadside traders from revenue payment be rescinded with immediate effect upon the adoption of this Report, and that enforcement of revenue collection from all traders conducting business within the County be undertaken in strict compliance with the Finance Act;

iii. **THAT** the CEC Member for Finance ensure consistent and uniform application of the Kisumu County Finance Act by all revenue officers in billing**,** including for billboards, outdoor advertising, oil stations and Single Business Permits, and that all departures from prescribed rates be treated as gross misconduct;

iv. **THAT** the department of County Administration take immediate action to address community hostility in Kolwa Central and Kolwa East wards in Kisumu East Sub-County that has prevented revenue collection, through community engagement and where necessary the involvement of appropriate security agencies; and

v. **THAT** the County Revenue Board intensify public sensitisation on lawful revenue payment channels and establish whistleblower and public complaint mechanisms to facilitate reporting of corruption and illegal levies.

6.5 On infrastructure and Operational Support

194. The Committee recommends;

i. **THAT** the County Revenue Board provide dedicated office space, uniforms and official identification cards to all revenue officers across all sub-counties, and provide adequate transport means to facilitate effective supervision, enforcement and service delivery;

ii. **THAT** the Department of Physical Planning and the Department of Public Works and Infrastructure prioritise electrification of key markets including Nyang'ande, Kadete

and Rabuor Market in Kadibo Sub-County**,** implement comprehensive flood mitigation measures at Ombeyi Market and other flood-affected trading areas, and restore market infrastructure at Kasawino, Angola and Wathorego markets in Kisumu East;

iii. **THAT** the County Government provide adequate market infrastructure and essential services; including proper drainage, garbage collection, clean water, sanitation and lighting; across all markets from which revenue is collected, in fulfilment of obligations under Articles 28 and 43 of the Constitution and to improve voluntary trader compliance;

iv. **THAT** the County Government formally engage Homabay County to harmonise market days for Nyakwere Market and address the matter of Katito Market in Nyakach operating on private land through the relevant Ward MCA;

v. **THAT** the County Government provide transport means to revenue officers across all sub-counties and review staff deployment across sub-counties to align staffing levels with revenue potential and collection targets, paying particular regard to the anomaly of Nyakach Sub-County's forty (40) officers and Kshs. 23,000,000 target.

6.6 On cess, Sugar Companies and Property Rent

195. The Committee recommends;

i. **THAT** the County Revenue Board pursue all outstanding cess arrears from Kibos, Chemelil and Muhoroni Sugar Companies with urgency**,** including through legal action where necessary, and establish a formal cess monitoring framework tracking weekly remittances from all sugar companies in accordance with the Kisumu County Cess Act, 2025;

ii. **THAT** the County Revenue Board formally ascertain and document historical cess arrears owed by the previous operators of the old Muhoroni Sugar Factory and old Chemelil Sugar Factory and pursue recovery through all available legal mechanisms; and submit a report to the County Assembly for information within sixty days of adoption of this Report.

6.7 Benchmarking-Inspired Reforms

196. The Committee recommends;

i. **THAT** Kisumu County adopt the cascaded individual target model linking revenue officer performance appraisals directly to daily and monthly collection targets at ward level, so as to enhance accountability and performance tracking;

ii. **THAT** County Revenue Board formalize departmental revenue targets**,** assigning clear and measurable revenue responsibilities to Health, Agriculture, Trade and Infrastructure departments to optimise revenue generation from sector-based programmes;

iii. **THAT** County Revenue Board prioritise investment in enforcement mobility infrastructure through the dedicated procurement of motorbikes and vehicles for field enforcement and audit teams; and

iv. **THAT** Kisumu County Revenue Board implement targeted compliance incentive programmes**,** including waivers and amnesty initiatives, to regularise outstanding payments, encourage voluntary compliance and rebuild public confidence.

6.8 On Alcoholic Drinks Control Fund

197. The Committee recommends;

i. **THAT** the Fund Administrator submit comprehensive financial statements and a verified register of all licensed outlets to the County Assembly**,** with reconciliation of the discrepancies between the Fund's self-reported figures and those in the County Budget Review and Outlook Paper within twenty-one days upon adoption of this Report;

ii. **THAT** the Fund take immediate corrective action to address system weaknesses allowing issuance of multiple licences under a single FT number and ensure strict compliance with the statutory 300-metre distance requirement from learning institutions; and

iii. **THAT** the County Revenue Board investigate the alleged collusion between police officers and non-compliant outlet operators and take appropriate legal and administrative action.

6.9 On reporting and oversight

198. The Committee recommends;

i. **THAT** the County Revenue Board submit quarterly OSR performance reports to the CEC Member for Finance who shall submit the Report to the County Assembly highlighting targets, actual collections by revenue stream, variances and corrective actions undertaken in accordance with Section 4A 6 of the Kisumu County Revenue Administration Amendment Act, 2022;

ii. **THAT** all major revenue streams be subjected to forensic audit to establish the extent of leakages, accountability gaps and the quantum of revenue lost over the review period.7.3 Sanctions against Policy Level Officers for Systemic Failures of Oversight

199. The Committee recommends that the following systemic accountability measures be applied against officers in positions of superior responsibility, in recognition of the principle that supervisory failure which enables or perpetuates misconduct is itself a ground for sanction under Section 197 of the PFM Act:

i. **THAT** the Governor of Kisumu County be formally notified by the County Assembly that the failure to constitute the Revenue Board in accordance with the Kisumu County Revenue Administration (Amendment) Act, 2022 constitutes a violation of Section 3A(2) of that Act, and that a failure to reconstitute the Board within thirty (30) days of adoption of this Report shall be considered a breach of the constitutional obligation to ensure lawful and accountable public finance management;

ii. **THAT** the County Secretary prevent any attempt by supervising officers of transferring rather than disciplining errant staff, and;

iii. **THAT** the County Internal Auditor is hereby directed to submit to the County Assembly, within sixty (60) days, a comprehensive report on all instances of revenue loss, unreceipted collections, suspicious bank transactions and non-compliance with Section 109(4)(b) of the PFM Act identified in the period FY 2022/23 to date, together with the names of all officers responsible and the amounts involved.

6.5 Additional Recommendations Arising from Sittings 21, 22 and 23 (14th–20th May 2026)

i. THAT the Treasury immediately commission an independent forensic bank reconciliation of all collection accounts for the period 1st December 2023 to date, to be completed within ninety (90) days, with a mandate to:

a) verify all sweep behaviours and identify residual balances, reversals and anomalies;

b) match all Pay Bill 427 receipts against IRMS records;

c) reconcile all 21 to 23 hospital Paybill transactions against IRMS reporting, given that hospital fees of Kshs. 1,932,649,051 were recorded in FY 2024/2025 outside the main system integration;

d) identify all instances of collection accounts used for expenditure; and

e) quantify all revenue losses by category (Sitting No. 21, Minutes No. 4/CAK/AD-HOC/14/05/2026).

ii. THAT the Kisumu County Revenue Board, once lawfully reconstituted, adopt within sixty (60) days a Revenue Administration Reform Framework incorporating:

a) dual-authorisation change management for all system modifications;

b) monthly mandatory Privileged Identity Management log review by the Internal Auditor;

c) a zero-tolerance policy for unreceipted transactions exceeding Kshs. 10,000 per collector per day;

d) Mobile Device Management geofencing for all revenue collector devices;

e) QR code-based real-time permit verification for enforcement officers; and

f) automated reconciliation of all hospital Paybills integrated with the IRMS within six (6) months (Sitting No. 23, Minutes No. 5/CAK/AD-HOC/13/05/2026).

PART VIII
CONCLUSION

Mr. Speaker and Honourable Members,

200. The Committee calls upon the County Assembly to adopt the findings and recommendations of this Report in their entirety, and to discharge its constitutional oversight mandate by ensuring that the County Executive takes immediate, sustained and verifiable corrective action on all matters identified herein. The three concluding sittings of the Committee; Sitting No. 21 on 14th May 2026, Sitting No. 22 on 19th May 2026, and Sitting No. 23 on 20th May 2026; revealed significant governance, operational and revenue management concerns requiring urgent institutional attention.

201. The Committee notes that Safaricom PLC demonstrated cooperation throughout the inquiry process, including attendance at Committee sittings, submission of reports and supporting documentation, sharing of logs and reconciliation records, and clarification of the circumstances surrounding the archiving and subsequent restoration of transaction records undertaken pursuant to instructions issued by County officials. The evidence presented before the Committee further confirmed that the archived logs were subsequently restored onto the system. In light of the material placed before it, the Committee finds that the alleged Kshs. 273,000,000 revenue loss remains unsubstantiated.

202. The Committee has established, with direct and documented evidence, that revenue is being diverted from the County's consolidated fund through informal cash-based collection arrangements operating entirely outside the IRMS. The Kibuye Market field visit provided concrete and unambiguous evidence of this practice. The IRMS data cannot, therefore, be relied upon as an accurate or complete representation of actual revenue generated at Kisumu County's markets and collection points.

203. The Committee's findings demonstrate that any alleged revenue leakage or fraudulent activity arises from informal cash-based collection practices conducted outside the IRMS, rather than from manipulation within the system itself. The IRMS is designed to capture, process and reconcile only those transactions formally initiated through the platform, with built-in audit trails, user logs and reconciliation controls. Accordingly, transactions collected outside the system bypass these safeguards entirely and cannot reasonably be attributed to defects or interference within the IRMS, but instead point to parallel manual collection arrangements operating beyond the system's visibility and control.

204. Accordingly, the Committee reiterates its recommendation that the Directorate of Criminal Investigations, the Ethics and Anti-Corruption Commission, the Office of the Director of Public Prosecutions and the Public Procurement Regulatory Authority be invited, where necessary, to independently review matters arising from this Report that fall within their respective statutory mandates. The County Assembly must continue exercising its oversight powers under Article 185(3) of the Constitution and the County Assembly Powers and Privileges Act, 2017 to ensure implementation of the recommendations contained herein and to strengthen accountability, transparency and integrity in the County's revenue management processes.

205. I beg to move that this Honourable House do adopt the Report of the Ad-Hoc Committee on Own-Source Revenue.

I wish to call upon Hon. …… to second.

HON. LUMUMBA OWADE
CHAIRPERSON, AD-HOC COMMITTEE ON OWN-SOURCE REVENUE
COUNTY ASSEMBLY OF KISUMU
Signature: ……. Date: …….

ANNEXURE

ANNEXURE I: Summary Record of Sittings

The following is a summary record of the sittings conducted by the Ad-Hoc Committee on Own Source Revenue during the Fifth Session of the Third Assembly, with key agenda items, persons in attendance, and principal outcomes as recorded in the official minutes of the Committee.

Sitting No. 1: [Earlier sittings as recorded in the Report] — details on record with the Secretariat.

Sitting No. 21 (Thursday, 14th May 2026, 2:30 p.m., Shiloah Boardroom — Ad-Hoc/OSR/5/26 (Sitting No. 21)): The Committee convened a public hearing with the CECM for Finance, Economic Planning and ICT. The sitting was attended by seven (7) members: Hon. Lumumba Owade (Chairperson), Hon. Pete Oiko, Hon. James Omollo, Hon. Samuel Onyango, Hon. Fredrick Adonijah, Hon. Reuben Rakwach and Hon. Bill Oliver. Absent were: Hon. Millicent Omuya (Vice Chairperson), Hon. Kennedy Ouko, Hon. Boitone Ratib, Hon. Alice Wajiwa, Hon. Jennipher Obonyo and Hon. Reginan Kizito. In attendance from the County Executive were: Mr. George Okongo (CECM Finance), Mr. Philip Adundo (CEO, KCRB), Mr. Steve Agalo (HOD ICT), Mr. Peter Kayila (Revenue Head, KCRB), Mr. Nandi David (Accountant), Mr. Alloyce Onyuka (Admin), Mr. Nicodemus Okoyo (KCRB Sub-County Revenue Officer), Mr. Raphael Otieno (KCRB Sub-County Revenue Officer) and Mr. Joel O. Ondu (KCRB Coordinator). The meeting ran from 2:40 p.m. to 6:30 p.m. Key resolutions are set out at Minutes No. 4/CAK/AD-HOC/14/05/2026.

Sitting No. 22 (Tuesday, 19th May 2026, 10:30 a.m., Shiloah Boardroom — Ad-Hoc/OSR/19/05/26 (Sitting No. 22)): The Committee held a consultative meeting with the County Secretary, County Attorney and Chief of Staff on matters OSR. The sitting was attended by six (6) members: Hon. Lumumba Owade (Chairperson), Hon. Benny Pete, Hon. Bill Oliver, Hon. Fredrick Adonijah, Hon. Boitone Ratib and Hon. Alice Wajewa. In attendance were: Mr. Hesborn Hongo (County Secretary), Mr. Alloyce Ager (Chief of Staff), Mr. Otieno Aluoka (County Attorney) and Mr. Patric Ochieng (Cabinet Secretariat). The meeting ran from 10:58 a.m. to 1:30 p.m. Key resolutions are set out at Minutes No. 4/CAK/AD-HOC/19/05/2026.

Sitting No. 23 (Wednesday, 20th May 2026, 10:30 a.m., Shiloah Boardroom — Ad-Hoc/OSR/5/26 (Sitting No. 23)): The Committee held a consultative meeting with Safaricom PLC and RevTech on matters OSR and also commenced report writing deliberations. The sitting was attended by eight (8) members: Hon. Lumumba Owade (Chairperson), Hon. Ratib Boitone, Hon. Sammy Onyango, Hon. James Omollo, Hon. Fredrick Adonijah, Hon. Benny Pete, Hon. Alice Wajewa and Hon. Reuben Rakwach. Representing Safaricom PLC were: Mr. Frankline Okata, Mr. Fred Waithaka, Mr. Barrack Odero, Ms. Nadiya Aziz, Ms. Agatha Gichana, Mr. Allan Kipsang and Mr. Paul Okayo. Representing RevTech were: Mr. Aende Derrick and Mr. Andrew O. Also in attendance were: Mr. George O. Okong'o (CECM Finance) and Ms. Maurine Awuor (Director

ICT). The meeting ran from 11:10 a.m. to 3:30 p.m. Key resolutions and action items are set out at Minutes No. 5/CAK/AD-HOC/13/05/2026.

ANNEXURE II: Persons and Entities Who Appeared Before the Committee

The following persons appeared before or submitted written representations to the Committee during the course of its investigations:

i. Mr. George O. Okong'o — CECM for Finance, Economic Planning and ICT (Sitting No. 21 and Sitting No. 23)
ii. Mr. Philip Adundo — Chief Executive Officer, Kisumu County Revenue Board (Sitting No. 21)
iii. Mr. Steve Agalo — Head of Department, ICT (Sitting No. 21)
iv. Mr. Peter Kayila — Revenue Head, Kisumu County Revenue Board (Sitting No. 21)
v. Mr. Nandi David — Accountant (Sitting No. 21)
vi. Mr. Alloyce Onyuka — Admin, Kisumu County Revenue Board (Sitting No. 21)
vii. Mr. Nicodemus Okoyo — Sub-County Revenue Officer, Kisumu County Revenue Board (Sitting No. 21)
viii. Mr. Raphael Otieno — Sub-County Revenue Officer, Kisumu County Revenue Board (Sitting No. 21)
ix. Mr. Joel O. Ondu — Coordinator, Kisumu County Revenue Board (Sitting No. 21)
x. Mr. Hesborn Hongo — County Secretary (Sitting No. 22)
xi. Mr. Alloyce Ager — Chief of Staff (Sitting No. 22)
xii. Mr. Otieno Aluoka — County Attorney (Sitting No. 22)
xiii. Mr. Patric Ochieng — Cabinet Secretariat (Sitting No. 22)
xiv. Ms. Maurine Awuor (Onyango) — Director ICT (Sitting No. 23; written Clarification Report submitted 21st May 2026)
xv. Mr. Frankline Okata — Safaricom PLC representative (Sitting No. 23)
xvi. Mr. Fred Waithaka — Safaricom PLC representative (Sitting No. 23)
xvii. Mr. Barrack Odero — Safaricom PLC representative (Sitting No. 23)
xviii. Ms. Nadiya Aziz — Safaricom PLC representative (Sitting No. 23)
xix. Ms. Agatha Gichana — Safaricom PLC representative (Sitting No. 23)
xx. Mr. Allan Kipsang — Safaricom PLC representative (Sitting No. 23)
xxi. Mr. Paul Okayo — Safaricom PLC representative (Sitting No. 23)
xxii. Mr. Aende Derrick — RevTech (Red Tech Innovation Limited) representative (Sitting No. 23)
xxiii. Mr. Andrew O. — RevTech (Red Tech Innovation Limited) representative (Sitting No. 23)
xxiv. Safaricom PLC — written response dated 18th May 2026 (referenced CAK/AD-HOC/OSR/008/2026, Attachment 1)

ANNEXURE III: Documents and Evidence Received by the Committee

The following documents were received and considered by the Committee in the course of its investigations. All documents form part of the official record of the Committee and are available to the County Assembly upon request:

i. ICT Audit Report — Kisumu County Integrated Revenue Management System (IRMS), May 2026 (eight findings, F-01 through F-08, with nine technical annexures)
ii. Tender Document for the Supply, Delivery, Design, Development, Installation, Deployment, Testing, Commissioning and Maintenance of a Fully Automated and Integrated County Revenue Management System — Tender No. CGK/FIN/OP/2023-2024/005 (Attachment 1)
iii. Contract Agreement between Safaricom PLC and the County Government of Kisumu — signed 31st October 2023, Chief Officer of Finance and County Attorney as County signatories (Attachment 1)
iv. Safaricom PLC written response to the Committee dated 18th May 2026 (referenced CAK/AD-HOC/OSR/008/2026) — including phase implementation reports, training records, and system architecture documentation (Attachment 1)
v. Clarification Report submitted by the Director ICT, Ms. Maurine Awuor Onyango, dated 21st May 2026 (Attachment 1)
vi. Safaricom PLC Tax Invoice No. 2738 dated 21st April 2026 — billing Kshs. 13,546,887.00 (exclusive of VAT) for SaaS (RMS Revenue Share) up to January 2026; total with 16% VAT: Kshs. 15,714,388.92 (Attachment 1)
vii. Safaricom PLC Invoice No. B1-30022081830 dated 1st August 2025 — billing Kshs. 23,227,300.00 for monthly service fee for the period 1st–31st July 2025 (Attachment 1)
viii. Budget Implementation Report for the County Government of Kisumu — FY 2024/2025, Quarter 4 (Attachment 1)
ix. Minutes of Meeting: Kisumu County RMS Review and Upgrade Planning — 14th January 2026 (Attachment 1)
x. Minutes No. 4/CAK/AD-HOC/14/05/2026 — Sitting No. 21, 14th May 2026 (filed with Committee Secretariat)
xi. Minutes No. 4/CAK/AD-HOC/19/05/2026 — Sitting No. 22, 19th May 2026 (filed with Committee Secretariat)
xii. Minutes No. 5/CAK/AD-HOC/13/05/2026 — Sitting No. 23, 20th May 2026 (filed with Committee Secretariat)
xiii. ICT Audit Annexure 1: Bus Park Invoice Report showing Jackson Otieno raising consecutive unpaid invoices at one-to-two minute intervals in March 2026
xiv. ICT Audit Annexure 2: Collector Target Report showing collectors assigned zero daily targets and zone anomalies
xv. ICT Audit Annexure 3: Unreceipted Transactions Report for 27th March 2026 showing over 200 unreceipted transactions including bank transfers of Kshs. 1,035,434, Kshs. 500,000 and Kshs. 460,000

xvi. ICT Audit Annexure 4: Invalid Customer Data Records showing random character strings, partial phone numbers and gibberish entries in live production system

xvii. ICT Audit Annexure 5: Test Data Records in Live Environment dating from February 2024 with 'PAID' status indicating real money transacted against test entries

xviii. ICT Audit Annexure 6: Super Administrator Account Evidence showing two accounts with unrestricted system access

xix. ICT Audit Annexure 7: Untraceable M-PESA Payment Evidence — two confirmed M-PESA payments of Kshs. 7,050 and Kshs. 11,000 not reflected in IRMS

xx. ICT Audit Annexure 8: Fuel Station Invoice Records showing non-compliance with Finance Bill 2026 rates — stations billed uniformly at Kshs. 10,000 or as low as Kshs. 2,500–3,500

xxi. ICT Audit Annexure 9: Parking Payment Verification Report — physical inspection of 155 vehicles showing only 17 (11%) had confirmed payment records; Obote Road recorded zero payments across 20 vehicles

ANNEXURE IV: Legal and Regulatory Framework Applicable to This Report

The following legislation and constitutional provisions were applied by the Committee in arriving at its findings, observations and recommendations:

i. Constitution of Kenya, 2010 — Articles 10 (National Values), 47 (Fair Administrative Action), 156 (County Attorney), 174 (Objects of Devolution), 175 (Principles of County Government), 185 (Functions of County Assemblies), 226 (Accounting Officers' Responsibilities)

ii. Public Finance Management Act, 2012 (PFM Act) — Sections 109 (Revenue Collection Obligations), 147 (Accounting Officer Responsibilities), 197 (Offences), 198 (Penalties), 199 (Surcharge Proceedings)

iii. Public Finance Management (County Governments) Regulations, 2015 — Regulation 93 (Revenue Management); Regulation 94 (Accounting for Revenue)

iv. County Governments Act, 2012 — Sections 77, 78 (County Secretary and Attorney functions); Section 48 (County Revenue Fund)

v. Anti-Corruption and Economic Crimes Act, 2003 — Section 2 (Definition of Corruption); Section 45 (Abuse of Office); Section 48 (Economic Crimes)

vi. Penal Code (Cap. 63) — Section 268 (Wilful Damage to Public Records); Section 275 (Stealing by Agent); Section 279 (Stealing by Public Servant)

vii. Public Procurement and Asset Disposal Act, 2015 — Sections on competitive procurement, contract management, debarment and PPRA oversight

viii. Data Protection Act, 2019 — Data integrity and security obligations applicable to the IRMS and its operators

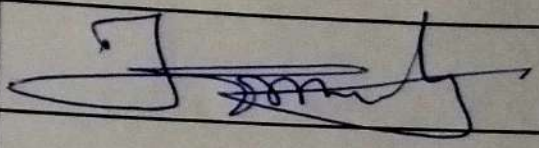
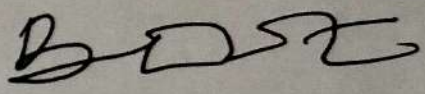
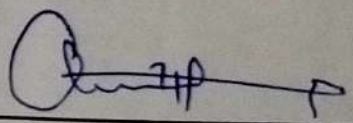
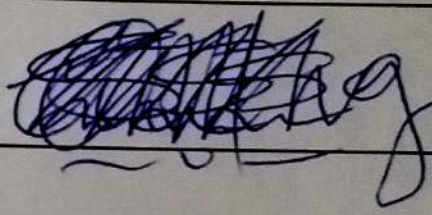
ix. Fair Administrative Action Act, 2015 — Applicable to the suspension, redeployment and compelled resignation of Revenue Board members

x. Public Archives and Documentation Service Act — Obligations for maintenance of official government records including meeting minutes
xi. County Assembly Powers and Privileges Act, 2017 — County Assembly powers to enforce Committee resolutions and compel compliance
xii. Kisumu County Finance Act (relevant financial years) — applicable tariffs and rates for all revenue streams subject to investigation in this Report
xiii. Kisumu County Finance Bill 2026 — revised rates for fuel station levies and other revenue streams, compliance with which was confirmed deficient by the ICT Audit (May 2026)

APPROVAL SCHEDULE ON THE REPORT ON THE KISUMU COUNTY OWN-SOURCE REVENUE

We the undersigned Members of the Ad-Hoc Committee on Own-Source Revenue having deliberated on the findings and Recommendations of this Report append our signatures to affirm that the matters herein addressed are the true deliberations of the Committee.

Hon. Lumumba Owade, MCA **South East Nyakach** **CHAIRPERSON**	
Hon. Millicent Omuya, MCA **North Seme** **VICE CHAIRPERSON**	
Hon. Kennedy Ouko, MCA West Kisumu MEMBER	
Hon. Regina Kizito, MCA Nominated MEMBER	
Hon. Reuben Rakwach, MCA Kolwa MEMBER	
Hon. Samuel Onyango, MCA Railways MEMBER	
Hon. Jennifer Obonyo, MCA South West Kisumu MEMBER	
Hon. Alice Wajewa, MCA Nominated MEMBER	
Hon. Boitone Ratib, MCA Nyalenda A MEMBER	
Hon. James Omollo, MCA	

West Nyakach MEMBER	
Hon. Benny Pete, MCA Kabonyo Kanyagwal MEMBER	
Hon. Bill Oliver, MCA Kobura MEMBER	
Hon. Fredrick Adonijah, MCA Chemelil MEMBER	

Charcon Properties Ltd
Phoenix House 4th Floor,
Nairobi-Kenya.

CHARCON
PROPERTIES LIMITED

.O Box 10110-00100
airobi
el: 0715432181
mail: info@charconproperties.co.ke

Land Development Consultants, Estate Managing Agents & Land Valuers

Date: 19th MAY 2026

Clerk of the County Assembly
County Assembly of Kisumu
P.O. Box 86-40100
Kisumu

KISUMU COUNTY ASSEMBLY
OFFICE OF THE CLERK
22 MAY 2026
RECEIVED
P.O. Box 86 - 40100, KISUMU

Dear Sir,

RE: SUBMISSION OF REQUESTED DOCUMENTS

I write to respectfully confirm that I have submitted the documents as requested by your office.

Kindly find attached the following documents for your review and necessary action:

- Copies of Monthly Statements
- Rents Payable in Each Property
- Property Management Progress Report
- Court Cases/orders,

Should there be any additional information or clarification required, please do not hesitate to contact me.

Thank you for your attention to this matter.

Yours faithfully,

Jairo Nyamwanga
Property Manager,
Email:jnicholas@charconproerties.co.ke
0733911768/0768432920

CC:

- Chairperson, Adhoc Committee on Own Source Revenue (OSR)

CHARCON PROPERTIES LIMITED

Rent Ledger

(REGION - KISUMU COUNTY)

UNIT	TENANT	RENT BILL
KISUMU COUNTY BLOCK 10 MILIMANI		
58A	ERON PIUS	10,000
58D	OMONDI GEORGE	10,000
		20,000
KISUMU COUNTY BLOCK 11 MILIMANI		
H11/37	JEROME OKOTH OWAKO	30,000
H11/46	LAKE REGION EMPOWERMENT NETWORK	60,000
H11/47	MWALO BENTER ATIENO	30,000
H11/49	ODINGA RUTH ADHIAMBO	30,000
H11/47B	HONGO HESBON	30,000
H11/47D	PATRICK OUYA	70,000
H11/47E	OTIENO ALUOKA	30,000
		280,000
KISUMU COUNTY BLOCK 12 MILIMANI		
H12/91	HON FRED OUTA	85,000
		85,000
KISUMU COUNTY BLOCK 4 TOM MBOYA		
154A	HOLDINGS SHAJANAND	60,000
155A	ODERO JOHN OYUCHO	10,000
155B	OMOGO JUDY	10,000
		80,000
KISUMU COUNTY KIBUYE ESTATE		
R4-3	OTIENO E.O	8,000
R4-4	N/A OKOYO	8,000
R4-6	PAULINE AKWACHA	8,000
R4-7	N/A ODHIAMBO	8,000
R4-8	ATIENO MAUREEN	8,000
R4-9	OTIENO GRACE M	8,000
R4-10	ONYANGO FREDRICK	8,000
R4-11	KOBE JAMES	8,000
R4-12	MUSANYA JANE	8,000
R4-13	OSWAGO DANIEL	8,000
R4-14	OLWENY ALICE	8,000
R4-15	YIMBO TIMOTHY STEVEN	8,000
R4-16	VERA ADELINE	8,000
R4-17	KITUA CATHERINE	5,000
R4-18	ABONG'O SHADRACK	5,000
R4-19	YOGO CHARLES ONYANGO	5,000
R4-20	MAGETO AGNES (JOHN MAGETO)	5,000
R4-21	OMONDI MAXWEL	5,000
R4-22	OKERE TIMOTHY ANYIKO	5,000
R4-23	ARINGO DAVID	5,000
R4-24	MUSUMBA ANNE DOROTHY	5,000
R4-25	OGOLLA THOMAS KENNEDY	5,000
R4-26	OTIENO PAUL VICTONE	5,000
R4-27	ODONGO TOM ODUOR	5,000
R4-28	OSEWE SARAH AWINO	5,000
R4-29	OGOLA MONICA AWINO	5,000
R4-30	OBIERO STANLEY(GEOFFREY AJWANG)	5,000
R4-31	OMONDI JENIPHER	5,000

R4-32	ODUOR MILTON MAU	5,000
R4-33	AMOLLO DOROTHY DORINE	5,000
R4-34	ABONG'O JOHN (SHEILA ADHIAMBO)	5,000
R4-35	JOSEPH OMONDI	5,000
R4-36	OGUTU KENNEDY	5,000
R4-37	OTIENO CENDRIN AKINYI	5,000
R4-38	ATORO ROBINSON	5,000
R4-39	NYAGAO MARGARET ODINDO	5,000
R4-41	OTIENO ELIZABETH AKINYI	5,000
R4-42	ADERA ANJELIN (TURFENA AUMA)	5,000
R4-43	BONYO G. (ARNOLD OMBECH)	5,000
R4-44	AMUDO DAVID (JAMES O ORIGA)	5,000
R4-46	MUSIGA CHRISTINE	5,000
R4-48	BRIAN CALISTUS OGOLLA	5,000
R4-49	MUGA CHARLES	5,000
R4-50	ODIPO JOYCE IRENE	5,000
R4-51	N/A CYNTHIA	5,000
R4-52	ODHIAMBO JANET AKINYI	5,000
R4-53	ODHIAMBO JEFF DENNIS	5,000
R4-54	ATIENO ROSELINE	5,000
R4-55	ONG'UDI PHOEBI	**289,000**
R4-56	ATIENO ESTHER	

KISUMU COUNTY OBER KAMOTH HEALTH CENTRE		2,500
F01	OCHIEL FRIDAH	2,000
F02	AKOTH LEAH	2,000
F03	OMONDI FELIX	**6,500**
KISUMU COUNTY OLD FIRE STATION		50,000
S01	KADIANG'A ELECTRICALS	30,000
S02	KA-AKWACHA	10,000
S03	KHISPO ENTERPRISES	13,000
S04	OKANDA GREAT PRINT	**103,000**
KISUMU COUNTY SLAUGHTER HOUSES MAMBOLEO		4,500
S01	OWINO PETER	4,500
S02	OWUOR PETER	4,500
S03	OCHIENG FREDRICK	**13,500**

CITY MANAGER OF KISUMU
RECEIVED
1 MAY

KISUMU COUNTY ASSEMBLY
OFFICE OF THE CLERK
22 MAY 2026
RECEIVED
P.O. Box 86 - 40100, KISUMU

REPUBLIC OF KENYA

IN THE HIGH COURT OF KENYA AT KISUMU

COURT NAME: KISUMU LAW COURT

CASE NUMBER: HCJR/E004/2025

CITATION: JOSEPH OMONDI VS CITY OF KISUMU AND CHARCON PROPERTIES LIMITED

ORDERS(COURT DOCUMENT)

BEFORE HON. JUSTICE ALFRED MABEYA

THIS MATTER coming up on 5th day of March, 2025 Exparte under certificate of urgency on the Chamber Summons dated 4th day of March, 2025, brought under the provisions of Order 53 Rule (3) of the Civil Procedure Rules and Section 8 of the Law Reform Act among other provisions of the Law before **Honourable Justice A. Mabeya (J)** wherein the applicant sought the following prayers:

1.That this honourable court be pleased to certify this application as urgent and determined on a priority basis.

2.That leave be granted to **Charcon Properties Limited**, the applicants herein to apply for Judicial Review and more specifically, for orders of:
a.) **CERTIORARI** quashing the decision by the Respondent herein appointing and or delegating the management and collection of revenue, rent, of all institutional Houses and other properties within the **City of Kisumu** to the Interested Party Herein, **Charcon Properties Limited**.

b.) **PROHIBITION** directed at the **City of Kisumu**, the Respondent herein prohibiting the Respondent herein from Sub delegating the Management and Collection of Rent of all Institutional Houses and other properties within the **City of Kisumu** to **Charcon Properties Limited** and or any third party.

3.That leave so granted to act as a stay order barring the Interested Party herein, **Charcon Properties Limited** from management and collection of revenue, rent, of all institutional Houses and other properties within the **City of Kisumu** pending the hearing and determination of the Substantive Judicial Review Application.

4. That the costs of this Application be provided for.

UPON Consideration of the exparte Chamber Summons:

IT IS HEREBY ORDERED:

1. THAT this application dated 4/03/2025 is certified as urgent.

2. THAT leave be and is hereby granted to the applicants to apply for Judicial Review orders of:

(a) **CERTIORARI** quashing the decision by the Respondent herein appointing and or delegating the management and collection of revenue, rent, of all institutional Houses and other properties within the **City of Kisumu** to the Interested party Herein, **Charcon Properties Limited.**

(b) **PROHIBITION** directed at the **City of Kisumu**, the Respondent herein prohibiting the Respondent herein from Sub delegating the Management and Collection of Rent of all Institutional Houses and other properties within the **City of Kisumu** to **Charcon Properties Limited** and or any third party.

(c) THAT the leave granted to act as a stay order barring the Interested Party herein, **Charcon Properties Limited** from the management and collection of revenue, rent, of all institutional Houses and other properties within the **City of Kisumu** pending the hearing and determination of the Substantive Judicial Review Application.

3. THAT the substantive motion shall be filed and served upon the Respondents and the Interested parties within 14 days of today.

4. THAT the costs of this application shall be considered in the substantive motion.

5. That the matter shall be mentioned on **19/3/2025** for further directions.

GIVEN under my hand and seal of the Honourable court this 5th day March, 2025.

Penal Notice: Take notice that any disobedience or non-observance of the order of the court served herewith will result in penal consequences to you and any other person(s) disobeying and not observing the same

Document as amended or endorsed by the registry staff
Amended By: Fred Odhiambo(Court Assistant)
Date Amended: 2025-03-07 16:56:14

GIVEN under my hand and Seal of this Court on 2025-03-10 12:58:46

SIGNED BY: HON. GLORIAH NASIMIYU BARASAH(S.R.M) (DEPUTY REGISTRAR)

Charcon Properties Ltd
Lake Basin Mall 2nd Floor,
Along Kisumu Kakamega Highway.

CHARCON
PROPERTIES LIMITED

P.O Box 897-40100
Kisumu
Tel: 0715432280
Email: admin@charconproperties.co.ke

Land Development Consultants, Estate Managing Agents & Land Valuers

20th November 2025

CITY MANAGER OF KISUMU
RECEIVED
25 NOV 2025

The Revenue Accountant
Kisumu Revenue Board,
P. O Box 105-40100,
Kisumu

Attn: Mr. David Nandi,

Dear Nandi,

RE: REQUEST FOR RENT PAYMENT SLIPS FOR THE KIBUYE ESTATE TENANTS

We write to formally request for copies all rent payment slips made through the Kisumu Revenue Board Accounts in respect of Kibuye Estate tenants and institutional houses for the period September and October 2025.

This information is required to facilitate a comprehensive reconciliation of rent payments and to update our records accordingly. Providing the slips at your earliest convenience will enable us to finalize the reconciliation process and address any discrepancies, if any.

We appreciate your cooperation and prompt assistance.

Yours faithfully,

Jairo Nyamwanga
Property Manager
jnicholas@charconproperties.co.ke
0733911768

CITY PLANNING - KISUMU
RECEIVED
25 NOV 2025
CITY OF KISUMU

CC. The City Manager – Kisumu City

CHARCON PROPERTIES LIMITED

RENT COLLECTION PROGRESS REPORT

(REGION - KISUMU COUNTY)

01/04/2026 - 30/04/2026

UNIT NO	TENANT	RENT BF	RENT BILL	RENT EXPECTED	RENT RECEIVED	RENT ARREARS
KISUMU COUNTY BLOCK 10 MILIMANI						
58A	ERON PIUS	130,000	10,000	140,000	0	140,000
58D	OMONDI GEORGE	130,000	10,000	140,000	0	140,000
		260,000	20,000	280,000	0	280,000
KISUMU COUNTY BLOCK 11 MILIMANI						
H11/37	JEROME OKOTH OWAKO	390,000	30,000	420,000	0	420,000
H11/46	LAKE REGION EMPOWERMENT	0	360,000	360,000	0	360,000
H11/47	MWALO BENTER ATIENO	0	30,000	30,000	0	30,000
H11/49	ODINGA RUTH ADHIAMBO	330,000	30,000	360,000	0	360,000
H11/47B	HONGO HESBON	390,000	30,000	420,000	0	420,000
H11/47D	PATRICK OUYA	910,000	70,000	980,000	0	980,000
H11/47E	OTIENO ALUOKA	270,000	30,000	300,000	0	300,000
		2,290,000	580,000	2,870,000	0	2,870,000
KISUMU COUNTY BLOCK 12 MILIMANI						
H12/91	HON FRED OUTA	1,105,000	85,000	1,190,000	0	1,190,000
		1,105,000	85,000	1,190,000	0	1,190,000
KISUMU COUNTY BLOCK 4 TOM MBOYA						
154A	HOLDINGS SHAJANAND	780,000	60,000	840,000	0	840,000
155A	ODERO JOHN OYUCHO	114,000	10,000	124,000	0	124,000
155B	OMOGO JUDY	130,000	10,000	140,000	0	140,000
		1,024,000	80,000	1,104,000	0	1,104,000
KISUMU COUNTY KIBUYE ESTATE						
R4-3	OTIENO E.O	112,000	8,000	120,000	112,000	8,000
R4-4	N/A OKOYO	58,000	8,000	66,000	0	66,000
R4-6	PAULINE AKWACHA	50,000	8,000	58,000	40,000	18,000
R4-7	N/A ODHIAMBO	35,000	8,000	43,000	0	43,000
R4-8	ATIENO MAUREEN	104,000	8,000	112,000	0	112,000
R4-9	OTIENO GRACE M	80,000	8,000	88,000	0	88,000
R4-10	ONYANGO FREDRICK	104,000	8,000	112,000	0	112,000
R4-11	KOBE JAMES	56,000	8,000	64,000	24,000	40,000
R4-12	MUSANYA JANE	40,000	8,000	48,000	35,000	13,000
R4-13	OSWAGO DANIEL	32,000	8,000	40,000	24,000	16,000
R4-14	OLWENY ALICE	63,000	8,000	71,000	10,000	61,000
R4-15	YIMBO TIMOTHY STEVEN	76,000	8,000	84,000	24,000	60,000
R4-16	VERA ADELINE	36,500	8,000	44,500	0	44,500
R4-17	KITUA CATHERINE	25,000	5,000	30,000	15,000	15,000
R4-18	ABONG'O SHADRACK	40,000	5,000	45,000	10,000	35,000
R4-19	YOGO CHARLES ONYANGO	30,000	5,000	35,000	0	35,000
R4-20	MAGETO AGNES (JOHN MAGETO)	10,000	5,000	15,000	0	15,000
R4-21	OMONDI MAXWEL	34,500	5,000	39,500	25,000	14,500
R4-22	OKERE TIMOTHY ANYIKO	40,000	5,000	45,000	20,000	25,000
R4-23	ARINGO DAVID	31,000	5,000	36,000	10,000	26,000
R4-24	MUSUMBA ANNE DOROTHY	51,000	5,000	56,000	0	56,000
R4-25	OGOLLA THOMAS KENNEDY	55,000	5,000	60,000	0	60,000
R4-26	OTIENO PAUL VICTONE	40,000	5,000	45,000	5,000	40,000
R4-27	ODONGO TOM ODUOR	38,100	5,000	43,100	5,000	38,100
R4-28	OSEWE SARAH AWINO	60,000	5,000	65,000	45,000	20,000
R4-29	OGOLA MONICA AWINO	15,360	5,000	20,360	17,000	3,360
R4-30	OBIERO STANLEY(GEOFFREY AJWANG)	15,000	5,000	20,000	10,000	10,000
R4-31	OMONDI JENIPHER	49,000	5,000	54,000	0	54,000
R4-32	ODUOR MILTON MAU	40,000	5,000	45,000	0	45,000
R4-33	AMOLLO DOROTHY DORINE	31,000	5,000	36,000	0	36,000
R4-34	ABONG'O JOHN (SHEILA ADHIAMBO)	20,000	5,000	25,000	8,000	17,000
R4-35	JOSEPH OMONDI	35,000	5,000	40,000	29,000	11,000

CHARCON PROPERTIES LIMITED

RENT COLLECTION PROGRESS REPORT

(REGION - KISUMU COUNTY)

01/03/2026 - 31/03/2026



UNIT NO	TENANT	RENT BF	RENT BILL	RENT EXPECTED	RENT RECEIVED	RENT ARREARS
KISUMU COUNTY BLOCK 10 MILIMANI						
58A	ERON PIUS	120,000	10,000	130,000	0	130,000
58D	OMONDI GEORGE	120,000	10,000	130,000	0	130,000
		240,000	**20,000**	**260,000**	**0**	**260,000**
KISUMU COUNTY BLOCK 11 MILIMANI						
H11/37	JEROME OKOTH OWAKO	360,000	30,000	390,000	0	390,000
H11/49	ODINGA RUTH ADHIAMBO	300,000	30,000	330,000	0	330,000
H11/47B	HONGO HESBON	360,000	30,000	390,000	0	390,000
H11/47D	PATRICK OUYA	840,000	70,000	910,000	0	910,000
H11/47E	OTIENO ALUOKA	240,000	30,000	270,000	0	270,000
		2,100,000	**190,000**	**2,290,000**	**0**	**2,290,000**
KISUMU COUNTY BLOCK 12 MILIMANI						
H12/91	HON FRED OUTA	1,020,000	85,000	1,105,000	0	1,105,000
		1,020,000	**85,000**	**1,105,000**	**0**	**1,105,000**
KISUMU COUNTY BLOCK 4 TOM MBOYA						
154A	HOLDINGS SHAJANAND	720,000	60,000	780,000	0	780,000
155A	ODERO JOHN OYUCHO	104,000	10,000	114,000	0	114,000
155B	OMOGO JUDY	120,000	10,000	130,000	0	130,000
		944,000	**80,000**	**1,024,000**	**0**	**1,024,000**
KISUMU COUNTY KIBUYE ESTATE						
R4-3	OTIENO E.O	104,000	8,000	112,000	0	112,000
R4-4	N/A OKOYO	50,000	8,000	58,000	0	58,000
R4-6	PAULINE AKWACHA	42,000	8,000	50,000	0	50,000
R4-7	N/A 'ODHIAMBO	27,000	8,000	35,000	0	35,000
R4-8	ATIENO MAUREEN	96,000	8,000	104,000	0	104,000
R4-9	OTIENO GRACE M	72,000	8,000	80,000	0	80,000
R4-10	ONYANGO FREDRICK	96,000	8,000	104,000	0	104,000
R4-11	KOBE JAMES	48,000	8,000	56,000	0	56,000
R4-12	MUSANYA JANE	32,000	8,000	40,000	0	40,000
R4-13	OSWAGO DANIEL	24,000	8,000	32,000	0	32,000
R4-14	OLWENY ALICE	55,000	8,000	63,000	0	63,000
R4-15	YIMBO TIMOTHY STEVEN	68,000	8,000	76,000	0	76,000
R4-16	VERA ADELINE	28,500	8,000	36,500	0	36,500
R4-17	KITUA CATHERINE	20,000	5,000	25,000	0	25,000
R4-18	ABONG'O SHADRACK	35,000	5,000	40,000	0	40,000
R4-19	YOGO CHARLES ONYANGO	25,000	5,000	30,000	0	30,000
R4-20	MAGETO AGNES (JOHN	5,000	5,000	10,000	0	10,000
R4-21	OMONDI MAXWEL	29,500	5,000	34,500	0	34,500
R4-22	OKERE TIMOTHY ANYIKO	35,000	5,000	40,000	0	40,000
R4-23	ARINGO DAVID	26,000	5,000	31,000	0	31,000
R4-24	MUSUMBA ANNE DOROTHY	46,000	5,000	51,000	0	51,000
R4-25	OGOLLA THOMAS KENNEDY	50,000	5,000	55,000	0	55,000
R4-26	OTIENO PAUL VICTONE	35,000	5,000	40,000	0	40,000
R4-27	ODONGO TOM ODUOR	33,100	5,000	38,100	0	38,100
R4-28	OSEWE SARAH AWINO	55,000	5,000	60,000	0	60,000
R4-29	OGOLA MONICA AWINO	10,360	5,000	15,360	0	15,360
R4-30	OBIERO STANLEY(GEOFFREY	10,000	5,000	15,000	0	15,000
R4-31	OMONDI JENIPHER	44,000	5,000	49,000	0	49,000
R4-32	ODUOR MILTON MAU	35,000	5,000	40,000	0	40,000
R4-33	AMOLLO DOROTHY DORINE	26,000	5,000	31,000	0	31,000
R4-34	ABONG'O JOHN (SHEILA	15,000	5,000	20,000	0	20,000
R4-35	JOSEPH OMONDI	30,000	5,000	35,000	0	35,000
R4-36	OGUTU KENNEDY	30,000	5,000	35,000	0	35,000
R4-37	OTIENO CENDRIN AKINYI	35,000	5,000	40,000	0	40,000
R4-38	ATORO ROBINSON	45,000	5,000	50,000	0	50,000
R4-39	NYAGAO MARGARET ODINDO	20,000	5,000	25,000	0	25,000
R4-41	OTIENO ELIZABETH AKINYI	15,000	5,000	20,000	0	20,000

CHARCON PROPERTIES LIMITED

RENT COLLECTION PROGRESS REPORT

(REGION - KISUMU COUNTY)

01/01/2026 - 31/01/2026



UNIT NO	TENANT	RENT BF	RENT BILL	RENT EXPECTED	RENT RECEIVED	RENT ARREARS
KISUMU COUNTY BLOCK 10 MILIMANI						
58A	ERON PIUS	100,000	10,000	110,000	0	110,000
58D	OMONDI GEORGE	100,000	10,000	110,000	0	110,000
		200,000	**20,000**	**220,000**	**0**	**220,000**
KISUMU COUNTY BLOCK 11 MILIMANI						
H11/37	JEROME OKOTH OWAKO	300,000	30,000	330,000	0	330,000
H11/49	ODINGA RUTH ADHIAMBO	240,000	30,000	270,000	0	270,000
H11/47B	HONGO HESBON	300,000	30,000	330,000	0	330,000
H11/47D	PATRICK OUYA	700,000	70,000	770,000	0	770,000
H11/47E	OTIENO ALUOKA	180,000	30,000	210,000	0	210,000
		1,720,000	**190,000**	**1,910,000**	**0**	**1,910,000**
KISUMU COUNTY BLOCK 12 MILIMANI						
H12/91	HON FRED OUTA	850,000	85,000	935,000	0	935,000
		850,000	**85,000**	**935,000**	**0**	**935,000**
KISUMU COUNTY BLOCK 4 TOM MBOYA						
154A	HOLDINGS SHAJANAND	600,000	60,000	660,000	0	660,000
155A	ODERO JOHN OYUCHO	84,000	10,000	94,000	0	94,000
155B	OMOGO JUDY	100,000	10,000	110,000	0	110,000
		784,000	**80,000**	**864,000**	**0**	**864,000**
KISUMU COUNTY KIBUYE ESTATE						
R4-3	OTIENO E.O	88,000	8,000	96,000	0	96,000
R4-4	N/A OKOYO	70,000	8,000	78,000	0	78,000
R4-6	PAULINE AKWACHA	86,000	8,000	94,000	60,000	34,000
R4-7	N/A ODHIAMBO	27,000	8,000	35,000	0	35,000
R4-8	ATIENO MAUREEN	80,000	8,000	88,000	0	88,000
R4-9	OTIENO GRACE M	80,000	8,000	88,000	0	88,000
R4-10	ONYANGO FREDRICK	80,000	8,000	88,000	0	88,000
R4-11	KOBE JAMES	56,000	8,000	64,000	0	64,000
R4-12	MUSANYA JANE	16,000	8,000	24,000	0	24,000
R4-13	OSWAGO DANIEL	56,000	8,000	64,000	0	64,000
R4-14	OLWENY ALICE	47,000	8,000	55,000	0	55,000
R4-15	YIMBO TIMOTHY STEVEN	52,000	8,000	60,000	0	60,000
R4-16	VERA ADELINE	33,500	8,000	41,500	0	41,500
R4-17	KITUA CATHERINE	35,000	5,000	40,000	0	40,000
R4-18	ABONG'O SHADRACK	40,000	5,000	45,000	0	45,000
R4-19	YOGO CHARLES ONYANGO	35,000	5,000	40,000	0	40,000
R4-20	MAGETO AGNES (JOHN	21,000	5,000	26,000	0	26,000
R4-21	OMONDI MAXWEL	20,000	5,000	25,000	0	25,000
R4-22	OKERE TIMOTHY ANYIKO	35,000	5,000	40,000	0	40,000
R4-23	ARINGO DAVID	31,000	5,000	36,000	0	36,000
R4-24	MUSUMBA ANNE DOROTHY	41,000	5,000	46,000	0	46,000
R4-25	OGOLLA THOMAS KENNEDY	40,000	5,000	45,000	0	45,000
R4-26	OTIENO PAUL VICTONE	25,000	5,000	30,000	0	30,000
R4-27	ODONGO TOM ODUOR	34,100	5,000	39,100	0	39,100
R4-28	OSEWE SARAH AWINO	45,000	5,000	50,000	0	50,000
R4-29	OGOLA MONICA AWINO	360	5,000	5,360	0	5,360
R4-30	OBIERO STANLEY(GEOFFREY	10,000	5,000	15,000	0	15,000
R4-31	OMONDI JENIPHER	34,000	5,000	39,000	0	39,000
R4-32	ODUOR MILTON MAU	35,000	5,000	40,000	0	40,000
R4-33	AMOLLO DOROTHY DORINE	36,000	5,000	41,000	0	41,000
R4-34	ABONG'O JOHN (SHEILA	15,000	5,000	20,000	0	20,000
R4-35	JOSEPH OMONDI	20,000	5,000	25,000	0	25,000
R4-36	OGUTU KENNEDY	35,000	5,000	40,000	0	40,000
R4-37	OTIENO CENDRIN AKINYI	40,000	5,000	45,000	0	45,000
R4-38	ATORO ROBINSON	50,000	5,000	55,000	0	55,000
R4-39	NYAGAO MARGARET	25,000	5,000	30,000	0	30,000
R4-41	OTIENO ELIZABETH AKINYI	20,000	5,000	25,000	0	25,000

R4-42	ADERA ANJELIN (TURFENA	15,000	5,000	20,000	0	20,000
R4-44	AMUDO DAVID (JAMES O	32,000	5,000	37,000	0	37,000
R4-45	OLOO MARK	29,500	5,000	34,500	0	34,500
R4-46	MUSIGA CHRISTINE	25,000	5,000	30,000	0	30,000
R4-47	APOPO YUANINA	2,200	5,000	7,200	0	7,200
R4-48	BRIAN CALISTUS OGOLLA	20,000	5,000	25,000	0	25,000
R4-49	MUGA CHARLES	49,000	5,000	54,000	0	54,000
R4-50	ODIPO JOYCE IRENE	24,000	5,000	29,000	0	29,000
R4-51	N/A CYNTHIA	40,000	5,000	45,000	0	45,000
R4-52	ODHIAMBO JANET AKINYI	15,000	5,000	20,000	0	20,000
R4-53	ODHIAMBO JEFF DENNIS	40,000	5,000	45,000	0	45,000
R4-54	ATIENO ROSELINE	20,000	5,000	25,000	0	25,000
R4-55	ONG'UDI PHOEBI	34,000	5,000	39,000	0	39,000
R4-56	ATIENO ESTHER	15,000	5,000	20,000	0	20,000
		1,854,660	**294,000**	**2,148,660**	**60,000**	**2,088,660**
KISUMU COUNTY OBER KAMOTH HEALTH CENTRE						
F01	OCHIEL FRIDAH	25,000	2,500	27,500	0	27,500
F02	AKOTH LEAH	20,000	2,000	22,000	0	22,000
F03	OMONDI FELIX	20,000	2,000	22,000	0	22,000
		65,000	**6,500**	**71,500**	**0**	**71,500**
KISUMU COUNTY OLD FIRE STATION						
S01	KADIANG'A ELECTRICALS	100,000	50,000	150,000	100,000	50,000
S03	KHISPO ENTERPRISES	10,000	10,000	20,000	11,000	9,000
S04	OKANDA GREAT PRINT	36,000	13,000	49,000	26,000	23,000
		146,000	**73,000**	**219,000**	**137,000**	**82,000**
KISUMU COUNTY SLAUGHTER HOUSES MAMBOLEO						
S01	OWINO PETER	45,000	4,500	49,500	0	49,500
S02	OWUOR PETER	45,000	4,500	49,500	0	49,500
S03	OCHIENG FREDRICK	21,000	4,500	25,500	0	25,500
		111,000	**13,500**	**124,500**	**0**	**124,500**
		5,730,660	**762,000**	**6,492,660**	**197,000**	**6,295,660**

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CITY MANAGER OFFICE RECEIVED



CHARCON PROPERTIES LIMITED
RENT COLLECTION PROGRESS REPORT
(REGION - KISUMU COUNTY)
01/12/2025 - 31/12/2025

UNIT NO	TENANT	RENT BF	RENT BILL	RENT EXPECTED	RENT RECEIVED	RENT ARREARS
KISUMU COUNTY BLOCK 10 MILIMANI						
58A	ERON PIUS	90,000	10,000	100,000	0	100,000
58D	OMONDI GEORGE	90,000	10,000	100,000	0	100,000
		180,000	**20,000**	**200,000**	**0**	**200,000**
KISUMU COUNTY BLOCK 11 MILIMANI						
H11/37	JEROME OKOTH OWAKO	270,000	30,000	300,000	0	300,000
H11/47	MWALO BENTER ATIENO	30,000	30,000	60,000	0	60,000
H11/49	ODINGA RUTH ADHIAMBO	210,000	30,000	240,000	0	240,000
H11/47B	HONGO HESBON	270,000	30,000	300,000	0	300,000
H11/47D	PATRICK OUYA	630,000	70,000	700,000	0	700,000
H11/47E	OTIENO ALUOKA	150,000	30,000	180,000	0	180,000
		1,560,000	**220,000**	**1,780,000**	**0**	**1,780,000**
KISUMU COUNTY BLOCK 12 MILIMANI						
H12/91	HON FRED OUTA	765,000	85,000	850,000	0	850,000
		765,000	**85,000**	**850,000**	**0**	**850,000**
KISUMU COUNTY BLOCK 4 TOM MBOYA						
154A	HOLDINGS SHAJANAND	540,000	60,000	600,000	0	600,000
155A	ODERO JOHN OYUCHO	74,000	10,000	84,000	0	84,000
155B	OMOGO JUDY	90,000	10,000	100,000	0	100,000
		704,000	**80,000**	**784,000**	**0**	**784,000**
KISUMU COUNTY KIBUYE ESTATE						
R4-3	OTIENO E.O	80,000	8,000	88,000	0	88,000
R4-4	N/A OKOYO	62,000	8,000	70,000	0	70,000
R4-6	PAULINE AKWACHA	78,000	8,000	86,000	0	86,000
R4-7	N/A ODHIAMBO	19,000	8,000	27,000	0	27,000
R4-8	ATIENO MAUREEN	72,000	8,000	80,000	0	80,000
R4-9	OTIENO GRACE M	72,000	8,000	80,000	0	80,000
R4-10	ONYANGO FREDRICK	72,000	8,000	80,000	0	80,000
R4-11	KOBE JAMES	48,000	8,000	56,000	0	56,000
R4-12	MUSANYA JANE	8,000	8,000	16,000	0	16,000
R4-13	OSWAGO DANIEL	48,000	8,000	56,000	0	56,000
R4-14	OLWENY ALICE	39,000	8,000	47,000	0	47,000
R4-15	YIMBO TIMOTHY STEVEN	44,000	8,000	52,000	0	52,000
R4-16	VERA ADELINE	25,500	8,000	33,500	0	33,500
R4-17	KITUA CATHERINE	30,000	5,000	35,000	0	35,000
R4-18	ABONG'O SHADRACK	35,000	5,000	40,000	0	40,000
R4-19	YOGO CHARLES ONYANGO	30,000	5,000	35,000	0	35,000
R4-20	MAGETO AGNES (JOHN MAGETO)	16,000	5,000	21,000	0	21,000
R4-21	OMONDI MAXWEL	15,000	5,000	20,000	0	20,000
R4-22	OKERE TIMOTHY ANYIKO	30,000	5,000	35,000	0	35,000
R4-23	ARINGO DAVID	26,000	5,000	31,000	0	31,000
R4-24	MUSUMBA ANNE DOROTHY	36,000	5,000	41,000	0	41,000
R4-25	OGOLLA THOMAS KENNEDY	35,000	5,000	40,000	0	40,000
R4-26	OTIENO PAUL VICTONE	20,000	5,000	25,000	0	25,000
R4-27	ODONGO TOM ODUOR	29,100	5,000	34,100	0	34,100
R4-28	OSEWE SARAH AWINO	40,000	5,000	45,000	0	45,000
R4-29	OGOLA MONICA AWINO	-4,640	5,000	360	0	360
R4-30	OBIERO STANLEY(GEOFFREY AJWANG)	5,000	5,000	10,000	0	10,000
R4-31	OMONDI JENIPHER	29,000	5,000	34,000	0	34,000
R4-32	ODUOR MILTON MAU	30,000	5,000	35,000	0	35,000
R4-33	AMOLLO DOROTHY DORINE	31,000	5,000	36,000	0	36,000
R4-34	ABONG'O JOHN (SHEILA ADHIAMBO)	10,000	5,000	15,000	0	15,000
R4-35	JOSEPH OMONDI	15,000	5,000	20,000	0	20,000
R4-36	OGUTU KENNEDY	30,000	5,000	35,000	0	35,000
R4-37	OTIENO CENDRIN AKINYI	35,000	5,000	40,000	0	40,000
R4-38	ATORO ROBINSON	45,000	5,000	50,000	0	50,000
R4-39	NYAGAO MARGARET ODINDO	20,000	5,000	25,000	0	25,000

R4-41	OTIENO ELIZABETH AKINYI	15,000	5,000	20,000	0	20,000
R4-42	ADERA ANJELIN (TURFENA AUMA)	10,000	5,000	15,000	0	15,000
R4-44	AMUDO DAVID (JAMES O ORIGA)	27,000	5,000	32,000	0	32,000
R4-45	OLOO MARK	24,500	5,000	29,500	0	29,500
R4-46	MUSIGA CHRISTINE	20,000	5,000	25,000	0	25,000
R4-47	APOPO YUANINA	-2,800	5,000	2,200	0	2,200
R4-48	BRIAN CALISTUS OGOLLA	15,000	5,000	20,000	0	20,000
R4-49	MUGA CHARLES	44,000	5,000	49,000	0	49,000
R4-50	ODIPO JOYCE IRENE	19,000	5,000	24,000	0	24,000
R4-51	N/A CYNTHIA	35,000	5,000	40,000	0	40,000
R4-52	ODHIAMBO JANET AKINYI	10,000	5,000	15,000	0	15,000
R4-53	ODHIAMBO JEFF DENNIS	35,000	5,000	40,000	0	40,000
R4-54	ATIENO ROSELINE	15,000	5,000	20,000	0	20,000
R4-55	ONG'UDI PHOEBI	29,000	5,000	34,000	0	34,000
R4-56	ATIENO ESTHER	10,000	5,000	15,000	0	15,000
		1,560,660	**294,000**	**1,854,660**	**0**	**1,854,660**
KISUMU COUNTY OBER KAMOTH HEALTH CENTRE						
F01	OCHIEL FRIDAH	22,500	2,500	25,000	0	25,000
F02	AKOTH LEAH	18,000	2,000	20,000	0	20,000
F03	OMONDI FELIX	18,000	2,000	20,000	0	20,000
		58,500	**6,500**	**65,000**	**0**	**65,000**
KISUMU COUNTY OLD FIRE STATION						
S01	KADIANG'A ELECTRICALS	50,000	50,000	100,000	0	100,000
S02	KA-AKWACHA	30,000	30,000	60,000	0	60,000
S03	KHISPO ENTERPRISES	0	10,000	10,000	0	10,000
S04	OKANDA GREAT PRINT	23,000	13,000	36,000	0	36,000
		103,000	**103,000**	**206,000**	**0**	**206,000**
KISUMU COUNTY SLAUGHTER HOUSES MAMBOLEO						
S01	OWINO PETER	40,500	4,500	45,000	0	45,000
S02	OWUOR PETER	40,500	4,500	45,000	0	45,000
S03	OCHIENG FREDRICK	16,500	4,500	21,000	0	21,000
		97,500	**13,500**	**111,000**	**0**	**111,000**
		5,028,660	**822,000**	**5,850,660**	**0**	**5,850,660**

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POWERED BY EZEN FINANCIALS



CHARCON PROPERTIES LIMITED

RENT COLLECTION PROGRESS REPORT

(REGION - KISUMU COUNTY)

01/11/2025 - 30/11/2025

UNIT NO	TENANT	RENT BF	RENT BILL	RENT EXPECTED	RENT RECEIVED	RENT ARREARS
KISUMU COUNTY BLOCK 10 MILIMANI						
58A	ERON PIUS	80,000	10,000	90,000	0	90,000
58D	OMONDI GEORGE	80,000	10,000	90,000	0	90,000
		160,000	**20,000**	**180,000**	**0**	**180,000**
KISUMU COUNTY BLOCK 11 MILIMANI						
H11/37	JEROME OKOTH OWAKO	240,000	30,000	270,000	0	270,000
H11/47	MWALO BENTER ATIENO	0	30,000	30,000	0	30,000
H11/49	ODINGA RUTH ADHIAMBO	180,000	30,000	210,000	0	210,000
H11/47B	HONGO HESBON	240,000	30,000	270,000	0	270,000
H11/47D	PATRICK OUYA	560,000	70,000	630,000	0	630,000
H11/47E	OTIENO ALUOKA	120,000	30,000	150,000	0	150,000
		1,340,000	**220,000**	**1,560,000**	**0**	**1,560,000**
KISUMU COUNTY BLOCK 12 MILIMANI						
H12/91	HON FRED OUTA	680,000	85,000	765,000	0	765,000
		680,000	**85,000**	**765,000**	**0**	**765,000**
KISUMU COUNTY BLOCK 4 TOM MBOYA						
154A	HOLDINGS SHAJANAND	480,000	60,000	540,000	0	540,000
155A	ODERO JOHN OYUCHO	64,000	10,000	74,000	0	74,000
155B	OMOGO JUDY	80,000	10,000	90,000	0	90,000
		624,000	**80,000**	**704,000**	**0**	**704,000**
KISUMU COUNTY KIBUYE ESTATE						
R4-3	OTIENO E.O	0	80,000	80,000	0	80,000
R4-4	N/A OKOYO	54,000	8,000	62,000	0	62,000
R4-6	PAULINE AKWACHA	0	280,000	280,000	202,000	78,000
R4-7	N/A ODHIAMBO	11,000	8,000	19,000	0	19,000
R4-8	ATIENO MAUREEN	64,000	8,000	72,000	0	72,000
R4-9	OTIENO GRACE M	64,000	8,000	72,000	0	72,000
R4-10	ONYANGO FREDRICK	64,000	8,000	72,000	0	72,000
R4-11	KOBE JAMES	40,000	8,000	48,000	0	48,000
R4-12	MUSANYA JANE	16,000	8,000	24,000	16,000	8,000
R4-13	OSWAGO DANIEL	40,000	8,000	48,000	0	48,000
R4-14	OLWENY ALICE	31,000	8,000	39,000	0	39,000
R4-15	YIMBO TIMOTHY STEVEN	56,000	8,000	64,000	20,000	44,000
R4-16	VERA ADELINE	17,500	8,000	25,500	0	25,500
R4-17	KITUA CATHERINE	35,000	5,000	40,000	10,000	30,000
R4-18	ABONG'O SHADRACK	40,000	5,000	45,000	10,000	35,000
R4-19	YOGO CHARLES ONYANGO	25,000	5,000	30,000	0	30,000
R4-20	MAGETO AGNES (JOHN MAGETO)	20,000	5,000	25,000	9,000	16,000
R4-21	OMONDI MAXWEL	40,000	5,000	45,000	30,000	15,000
R4-22	OKERE TIMOTHY ANYIKO	25,000	5,000	30,000	0	30,000
R4-23	ARINGO DAVID	31,000	5,000	36,000	10,000	26,000
R4-24	MUSUMBA ANNE DOROTHY	40,000	5,000	45,000	9,000	36,000
R4-25	OGOLLA THOMAS KENNEDY	30,000	5,000	35,000	0	35,000
R4-26	OTIENO PAUL VICTONE	15,000	5,000	20,000	0	20,000
R4-27	ODONGO TOM ODUOR	24,100	5,000	29,100	0	29,100
R4-28	OSEWE SARAH AWINO	35,000	5,000	40,000	0	40,000
R4-30	OBIERO STANLEY(GEOFFREY AJWANG)	5,000	5,000	10,000	5,000	5,000
R4-31	OMONDI JENIPHER	30,000	5,000	35,000	6,000	29,000
R4-32	ODUOR MILTON MAU	30,000	5,000	35,000	5,000	30,000
R4-33	AMOLLO DOROTHY DORINE	35,000	5,000	40,000	9,000	31,000
R4-34	ABONG'O JOHN (SHEILA ADHIAMBO)	20,000	5,000	25,000	15,000	10,000
R4-35	JOSEPH OMONDI	40,000	5,000	45,000	30,000	15,000
R4-36	OGUTU KENNEDY	25,000	5,000	30,000	0	30,000
R4-37	OTIENO CENDRIN AKINYI	30,000	5,000	35,000	0	35,000
R4-38	ATORO ROBINSON	40,000	5,000	45,000	0	45,000
R4-39	NYAGAO MARGARET ODINDO	15,000	5,000	20,000	0	20,000
R4-41	OTIENO ELIZABETH AKINYI	15,000	5,000	20,000	5,000	15,000

R4-42	ADERA ANJELIN (TURFENA AUMA)	15,000	5,000	20,000	10,000	10,000
R4-44	AMUDO DAVID (JAMES O ORIGA)	22,000	5,000	27,000	0	27,000
R4-45	OLOO MARK	19,500	5,000	24,500	0	24,500
R4-46	MUSIGA CHRISTINE	15,000	5,000	20,000	0	20,000
R4-48	BRIAN CALISTUS OGOLLA	0	25,000	25,000	10,000	15,000
R4-49	MUGA CHARLES	39,000	5,000	44,000	0	44,000
R4-50	ODIPO JOYCE IRENE	24,000	5,000	29,000	10,000	19,000
R4-51	N/A CYNTHIA	35,000	5,000	40,000	5,000	35,000
R4-52	ODHIAMBO JANET AKINYI	5,000	5,000	10,000	0	10,000
R4-53	ODHIAMBO JEFF DENNIS	30,000	5,000	35,000	0	35,000
R4-54	ATIENO ROSELINE	10,000	5,000	15,000	0	15,000
R4-55	ONG'UDI PHOEBI	29,000	5,000	34,000	5,000	29,000
R4-56	ATIENO ESTHER	10,000	5,000	15,000	5,000	10,000
		1,356,100	648,000	2,004,100	436,000	1,568,100
KISUMU COUNTY OBER KAMOTH HEALTH CENTRE						
F01	OCHIEL FRIDAH	20,000	2,500	22,500	0	22,500
F02	AKOTH LEAH	16,000	2,000	18,000	0	18,000
F03	OMONDI FELIX	16,000	2,000	18,000	0	18,000
		52,000	6,500	58,500	0	58,500
KISUMU COUNTY OLD FIRE STATION						
S01	KADIANG'A ELECTRICALS	100,000	50,000	150,000	100,000	50,000
S02	KA-AKWACHA	0	30,000	30,000	0	30,000
S04	OKANDA GREAT PRINT	23,000	13,000	36,000	13,000	23,000
		123,000	93,000	216,000	113,000	103,000
KISUMU COUNTY SLAUGHTER HOUSES MAMBOLEO						
S01	OWINO PETER	36,000	4,500	40,500	0	40,500
S02	OWUOR PETER	36,000	4,500	40,500	0	40,500
S03	OCHIENG FREDRICK	12,000	4,500	16,500	0	16,500
		84,000	13,500	97,500	0	97,500
		4,419,100	1,166,000	5,585,100	549,000	5,036,100

RECEIVED

CHARCON PROPERTIES LIMITED
RENT COLLECTION PROGRESS REPORT
(REGION - KISUMU COUNTY)
01/09/2025 - 30/09/2025



UNIT NO	A/C NO	TENANT	RENT BF	RENT BILL	RENT EXPECTED	RENT RECEIVED	RENT ARREARS
KISUMU COUNTY BLOCK 10 MILIMANI							
58A	TNT0596	ERON PIUS	60,000	10,000	70,000	0	70,000
58D	TNT0597	OMONDI GEORGE	60,000	10,000	70,000	0	70,000
			120,000	20,000	140,000	0	140,000
KISUMU COUNTY BLOCK 11 MILIMANI							
H11/37	TNT0652	JEROME OKOTH OWAKO	180,000	30,000	210,000	0	210,000
H11/49	N/A	ODINGA RUTH ADHIAMBO	120,000	30,000	150,000	0	150,000
H11/47B	TNT0651	HONGO HESBON	180,000	30,000	210,000	0	210,000
H11/47D	TNT0653	PATRICK OUYA	420,000	70,000	490,000	0	490,000
H11/47E	N/A	OTIENO ALUOKA	60,000	30,000	90,000	0	90,000
			960,000	190,000	1,150,000	0	1,150,000
KISUMU COUNTY BLOCK 12 MILIMANI							
H12/91	TNT0654	HON FRED OUTA	510,000	85,000	595,000	0	595,000
			510,000	85,000	595,000	0	595,000
KISUMU COUNTY BLOCK 4 TOM MBOYA							
154A	TNT0593	HOLDINGS SHAJANAND	360,000	60,000	420,000	0	420,000
155A	TNT0595	ODERO JOHN OYUCHO	44,000	10,000	54,000	0	54,000
155B	TNT0594	OMOGO JUDY	60,000	10,000	70,000	0	70,000
			464,000	80,000	544,000	0	544,000
KISUMU COUNTY KIBUYE ESTATE							
R4-4	TNT0635	N/A OKOYO	48,000	8,000	56,000	0	56,000
R4-7	TNT0636	N/A ODHIAMBO	48,000	8,000	56,000	0	56,000
R4-8	TNT0634	ATIENO MAUREEN	48,000	8,000	56,000	0	56,000
R4-9	TNT0633	OTIENO GRACE M	48,000	8,000	56,000	0	56,000
R4-10	TNT0632	ONYANGO FREDRICK	48,000	8,000	56,000	0	56,000
R4-11	TNT0631	KOBE JAMES	48,000	8,000	56,000	0	56,000
R4-12	TNT0630	MUSANYA JANE	48,000	8,000	56,000	0	56,000
R4-13	TNT0629	OSWAGO DANIEL	48,000	8,000	56,000	0	56,000
R4-14	TNT0628	OLWENY ALICE	48,000	8,000	56,000	0	56,000
R4-15	TNT0627	YIMBO TIMOTHY STEVEN	48,000	8,000	56,000	0	56,000
R4-16	TNT0626	VERA ADELINE	48,000	8,000	56,000	0	56,000
R4-17	TNT0625	KITUA CATHERINE	30,000	5,000	35,000	0	35,000
R4-18	TNT0624	ABONG'O SHADRACK	30,000	5,000	35,000	0	35,000
R4-19	TNT0623	YOGO CHARLES ONYANGO	30,000	5,000	35,000	0	35,000
R4-20	TNT0622	MAGETO AGNES (JOHN	30,000	5,000	35,000	0	35,000
R4-21	TNT0621	OMONDI MAXWEL	30,000	5,000	35,000	0	35,000
R4-22	TNT0620	OKERE TIMOTHY ANYIKO	30,000	5,000	35,000	0	35,000
R4-23	TNT0619	ARINGO DAVID	30,000	5,000	35,000	0	35,000
R4-24	TNT0618	MUSUMBA ANNE	30,000	5,000	35,000	0	35,000
R4-25	TNT0617	OGOLLA THOMAS	30,000	5,000	35,000	0	35,000
R4-26	TNT0616	OTIENO PAUL VICTONE	30,000	5,000	35,000	0	35,000
R4-27	TNT0615	ODONGO TOM ODUOR	30,000	5,000	35,000	0	35,000
R4-28	TNT0614	OSEWE SARAH AWINO	30,000	5,000	35,000	0	35,000
R4-29	TNT0613	OGOLA MONICA AWINO	30,000	5,000	35,000	0	35,000
R4-30	TNT0611	OBIERO	30,000	5,000	35,000	0	35,000
R4-31	TNT0609	OMONDI JENIPHER	30,000	5,000	35,000	0	35,000
R4-32	TNT0608	ODUOR MILTON MAU	30,000	5,000	35,000	0	35,000
R4-33	TNT0603	AMOLLO DOROTHY	30,000	5,000	35,000	0	35,000
R4-34	TNT0604	ABONG'O JOHN (SHEILA	30,000	5,000	35,000	0	35,000
R4-35	TNT0602	JOSEPH OMONDI	30,000	5,000	35,000	0	35,000
R4-36	TNT0637	OGUTU KENNEDY	30,000	5,000	35,000	0	35,000
R4-37	TNT0645	OTIENO CENDRIN AKINYI	30,000	5,000	35,000	0	35,000
R4-38	TNT0643	ATORO ROBINSON	30,000	5,000	35,000	0	35,000
R4-39	TNT0644	NYAGAO MARGARET	30,000	5,000	35,000	0	35,000
R4-41	TNT0650	OTIENO ELIZABETH AKINYI	30,000	5,000	35,000	0	35,000
R4-42	TNT0605	ADERA ANJELIN (TURFENA	30,000	5,000	35,000	0	35,000
R4-43	TNT0606	BONYO G. (ARNOLD	30,000	5,000	35,000	0	35,000

R4-44	TNT0607	AMUDO DAVID (JAMES O	30,000	5,000	35,000	0	35,000
R4-45	TNT0642	OLOO MARK	30,000	5,000	35,000	10,000	25,000
R4-46	TNT0638	MUSIGA CHRISTINE	30,000	5,000	35,000	0	35,000
R4-47	TNT0610	APOPO YUANINA	30,000	5,000	35,000	0	35,000
R4-49	TNT0612	MUGA CHARLES	30,000	5,000	35,000	0	35,000
R4-50	TNT0641	ODIPO JOYCE IRENE	30,000	5,000	35,000	0	35,000
R4-51	TNT0648	N/A CYNTHIA	30,000	5,000	35,000	0	35,000
R4-52	TNT0649	ODHIAMBO JANET AKINYI	30,000	5,000	35,000	0	35,000
R4-53	TNT0639	ODHIAMBO JEFF DENNIS	30,000	5,000	35,000	0	35,000
R4-54	TNT0640	ATIENO ROSELINE	30,000	5,000	35,000	0	35,000
R4-55	TNT0646	ONG'UDI PHOEBI	30,000	5,000	35,000	0	35,000
R4-56	TNT0647	ATIENO ESTHER	30,000	5,000	35,000	0	35,000
			1,668,000	278,000	1,946,000	10,000	1,936,000
KISUMU COUNTY OBER KAMOTH HEALTH CENTRE							
F01	TNT0590	OCHIEL FRIDAH	15,000	2,500	17,500	0	17,500
F02	TNT0591	AKOTH LEAH	12,000	2,000	14,000	0	14,000
F03	TNT0592	OMONDI FELIX	12,000	2,000	14,000	0	14,000
			39,000	6,500	45,500	0	45,500
KISUMU COUNTY OLD FIRE STATION							
S01	N/A	KADIANG'A ELECTRICALS	0	50,000	50,000	0	50,000
S02	N/A	KA-AKWACHA	60,000	30,000	90,000	60,000	30,000
S03	N/A	KHISPO ENTERPRISES	16,000	10,000	26,000	24,000	2,000
S04	N/A	OKANDA GREAT PRINT	10,000	13,000	23,000	0	23,000
			86,000	103,000	189,000	84,000	105,000
KISUMU COUNTY SLAUGHTER HOUSES MAMBOLEO							
S01	TNT0587	OWINO PETER	27,000	4,500	31,500	0	31,500
S02	TNT0588	OWUOR PETER	27,000	4,500	31,500	0	31,500
S03	TNT0589	OCHIENG FREDRICK	9,000	4,500	13,500	6,000	7,500
			63,000	13,500	76,500	6,000	70,500
			3,910,000	776,000	4,686,000	100,000	4,586,000

CHARCON PROPERTIES LIMITED

RENT COLLECTION PROGRESS REPORT

(REGION - KISUMU COUNTY)

01/08/2025 - 31/08/2025



UNIT NO	TENANT	RENT BF	RENT BILL	RENT EXPECTED	RENT RECEIVED	RENT ARREARS
KISUMU COUNTY BLOCK 10 MILIMANI						
58A	ERON PIUS	50,000	10,000	60,000	0	60,000
58D	OMONDI GEORGE	50,000	10,000	60,000	0	60,000
		100,000	20,000	120,000	0	120,000
KISUMU COUNTY BLOCK 11 MILIMANI						
H11/37	JEROME OKOTH OWAKO	150,000	30,000	180,000	0	180,000
H11/49	ODINGA RUTH ADHIAMBO	90,000	30,000	120,000	0	120,000
H11/47B	HONGO HESBON	150,000	30,000	180,000	0	180,000
H11/47D	PATRICK OUYA	350,000	70,000	420,000	0	420,000
H11/47E	OTIENO ALUOKA	30,000	30,000	60,000	0	60,000
		770,000	190,000	960,000	0	960,000
KISUMU COUNTY BLOCK 12 MILIMANI						
H12/91	HON FRED OUTA	425,000	85,000	510,000	0	510,000
		425,000	85,000	510,000	0	510,000
KISUMU COUNTY BLOCK 4 TOM MBOYA						
154A	HOLDINGS SHAJANAND	300,000	60,000	360,000	0	360,000
155A	ODERO JOHN OYUCHO	34,000	10,000	44,000	0	44,000
155B	OMOGO JUDY	50,000	10,000	60,000	0	60,000
		384,000	80,000	464,000	0	464,000
KISUMU COUNTY KIBUYE ESTATE						
R4-4	N/A OKOYO	40,000	8,000	48,000	0	48,000
R4-7	N/A ODHIAMBO	40,000	8,000	48,000	0	48,000
R4-8	ATIENO MAUREEN	40,000	8,000	48,000	0	48,000
R4-9	OTIENO GRACE M	40,000	8,000	48,000	0	48,000
R4-10	ONYANGO FREDRICK	40,000	8,000	48,000	0	48,000
R4-11	KOBE JAMES	40,000	8,000	48,000	0	48,000
R4-12	MUSANYA JANE	40,000	8,000	48,000	0	48,000
R4-13	OSWAGO DANIEL	40,000	8,000	48,000	0	48,000
R4-14	OLWENY ALICE	40,000	8,000	48,000	0	48,000
R4-15	YIMBO TIMOTHY STEVEN	40,000	8,000	48,000	0	48,000
R4-16	VERA ADELINE	40,000	8,000	48,000	0	48,000
R4-17	KITUA CATHERINE	25,000	5,000	30,000	0	30,000
R4-18	ABONG'O SHADRACK	25,000	5,000	30,000	0	30,000
R4-19	YOGO CHARLES ONYANGO	25,000	5,000	30,000	0	30,000
R4-20	MAGETO AGNES (JOHN MAGETO)	25,000	5,000	30,000	0	30,000
R4-21	OMONDI MAXWEL	25,000	5,000	30,000	0	30,000
R4-22	OKERE TIMOTHY ANYIKO	25,000	5,000	30,000	0	30,000
R4-23	ARINGO DAVID	25,000	5,000	30,000	0	30,000
R4-24	MUSUMBA ANNE DOROTHY	25,000	5,000	30,000	0	30,000
R4-25	OGOLLA THOMAS KENNEDY	25,000	5,000	30,000	0	30,000
R4-26	OTIENO PAUL VICTONE	25,000	5,000	30,000	0	30,000
R4-27	ODONGO TOM ODUOR	25,000	5,000	30,000	0	30,000
R4-28	OSEWE SARAH AWINO	25,000	5,000	30,000	0	30,000
R4-29	OGOLA MONICA AWINO	25,000	5,000	30,000	0	30,000
R4-30	OBIERO STANLEY(GEOFFREY	25,000	5,000	30,000	0	30,000
R4-31	OMONDI JENIPHER	25,000	5,000	30,000	0	30,000
R4-32	ODUOR MILTON MAU	25,000	5,000	30,000	0	30,000
R4-33	AMOLLO DOROTHY DORINE	25,000	5,000	30,000	0	30,000
R4-34	ABONG'O JOHN (SHEILA ADHIAMBO)	25,000	5,000	30,000	0	30,000
R4-35	JOSEPH OMONDI	25,000	5,000	30,000	0	30,000
R4-36	OGUTU KENNEDY	25,000	5,000	30,000	0	30,000
R4-37	OTIENO CENDRIN AKINYI	25,000	5,000	30,000	0	30,000
R4-38	ATORO ROBINSON	25,000	5,000	30,000	0	30,000
R4-39	NYAGAO MARGARET ODINDO	25,000	5,000	30,000	0	30,000
R4-41	OTIENO ELIZABETH AKINYI	25,000	5,000	30,000	0	30,000
R4-42	ADERA ANJELIN (TURFENA AUMA)	25,000	5,000	30,000	0	30,000
R4-43	BONYO G. (ARNOLD OMBECH)	25,000	5,000	30,000	0	30,000

R4-44	AMUDO DAVID (JAMES O ORIGA)	25,000	5,000	30,000	0	30,000
R4-45	OLOO MARK	25,000	5,000	30,000	0	30,000
R4-46	MUSIGA CHRISTINE	25,000	5,000	30,000	0	30,000
R4-47	APOPO YUANINA	25,000	5,000	30,000	0	30,000
R4-49	MUGA CHARLES	25,000	5,000	30,000	0	30,000
R4-50	ODIPO JOYCE IRENE	25,000	5,000	30,000	0	30,000
R4-51	N/A CYNTHIA	25,000	5,000	30,000	0	30,000
R4-52	ODHIAMBO JANET AKINYI	25,000	5,000	30,000	0	30,000
R4-53	ODHIAMBO JEFF DENNIS	25,000	5,000	30,000	0	30,000
R4-54	ATIENO ROSELINE	25,000	5,000	30,000	0	30,000
R4-55	ONG'UDI PHOEBI	25,000	5,000	30,000	0	30,000
R4-56	ATIENO ESTHER	25,000	5,000	30,000	0	30,000
		1,390,000	278,000	1,668,000	0	1,668,000
KISUMU COUNTY OBER KAMOTH HEALTH CENTRE						
F01	OCHIEL FRIDAH	12,500	2,500	15,000	0	15,000
F02	AKOTH LEAH	10,000	2,000	12,000	0	12,000
F03	OMONDI FELIX	10,000	2,000	12,000	0	12,000
		32,500	6,500	39,000	0	39,000
KISUMU COUNTY OLD FIRE STATION						
S02	KA-AKWACHA	30,000	30,000	60,000	0	60,000
S03	KHISPO ENTERPRISES	6,000	10,000	16,000	0	16,000
S04	OKANDA GREAT PRINT	10,000	13,000	23,000	13,000	10,000
		46,000	53,000	99,000	13,000	86,000
KISUMU COUNTY SLAUGHTER HOUSES MAMBOLEO						
S01	OWINO PETER	22,500	4,500	27,000	0	27,000
S02	OWUOR PETER	22,500	4,500	27,000	0	27,000
S03	OCHIENG FREDRICK	4,500	4,500	9,000	0	9,000
		49,500	13,500	63,000	0	63,000
		3,197,000	726,000	3,923,000	13,000	3,910,000

CITY MANAGER KISUMU RECEIVED

CHARCON PROPERTIES LIMITED

RENT COLLECTION PROGRESS REPORT

(REGION - KISUMU COUNTY)

01/07/2025 - 31/07/2025

UNIT NO	TENANT	RENT BF	RENT BILL	RENT EXPECTED	RENT RECEIVED	RENT ARREARS
KISUMU COUNTY BLOCK 10 MILIMANI						
58A	ERON PIUS	40,000	10,000	50,000	0	50,000
58D	OMONDI GEORGE	40,000	10,000	50,000	0	50,000
		80,000	**20,000**	**100,000**	**0**	**100,000**
KISUMU COUNTY BLOCK 11 MILIMANI						
H11/37	JEROME OKOTH OWAKO	120,000	30,000	150,000	0	150,000
H11/49	ODINGA RUTH ADHIAMBO	60,000	30,000	90,000	0	90,000
H11/47B	HONGO HESBON	120,000	30,000	150,000	0	150,000
H11/47D	PATRICK OUYA	280,000	70,000	350,000	0	350,000
H11/47E	OTIENO ALUOKA	0	30,000	30,000	0	30,000
		580,000	**190,000**	**770,000**	**0**	**770,000**
KISUMU COUNTY BLOCK 12 MILIMANI						
H12/91	HON FRED OUTA	340,000	85,000	425,000	0	425,000
		340,000	**85,000**	**425,000**	**0**	**425,000**
KISUMU COUNTY BLOCK 4 TOM MBOYA						
154A	HOLDINGS SHAJANAND	240,000	60,000	300,000	0	300,000
155A	ODERO JOHN OYUCHO	24,000	10,000	34,000	0	34,000
155B	OMOGO JUDY	40,000	10,000	50,000	0	50,000
		304,000	**80,000**	**384,000**	**0**	**384,000**
KISUMU COUNTY KIBUYE ESTATE						
R4-4	N/A OKOYO	32,000	8,000	40,000	0	40,000
R4-7	N/A ODHIAMBO	32,000	8,000	40,000	0	40,000
R4-8	ATIENO MAUREEN	32,000	8,000	40,000	0	40,000
R4-9	OTIENO GRACE M	32,000	8,000	40,000	0	40,000
R4-10	ONYANGO FREDRICK	32,000	8,000	40,000	0	40,000
R4-11	KOBE JAMES	32,000	8,000	40,000	0	40,000
R4-12	MUSANYA JANE	32,000	8,000	40,000	0	40,000
R4-13	OSWAGO DANIEL	32,000	8,000	40,000	0	40,000
R4-14	OLWENY ALICE	32,000	8,000	40,000	0	40,000
R4-15	YIMBO TIMOTHY STEVEN	32,000	8,000	40,000	0	40,000
R4-16	VERA ADELINE	32,000	8,000	40,000	0	40,000
R4-17	KITUA CATHERINE	20,000	5,000	25,000	0	25,000
R4-18	ABONG'O SHADRACK	20,000	5,000	25,000	0	25,000
R4-19	YOGO CHARLES ONYANGO	20,000	5,000	25,000	0	25,000
R4-20	MAGETO AGNES (JOHN	20,000	5,000	25,000	0	25,000
R4-21	OMONDI MAXWEL	20,000	5,000	25,000	0	25,000
R4-22	OKERE TIMOTHY ANYIKO	20,000	5,000	25,000	0	25,000
R4-23	ARINGO DAVID	20,000	5,000	25,000	0	25,000
R4-24	MUSUMBA ANNE DOROTHY	20,000	5,000	25,000	0	25,000
R4-25	OGOLLA THOMAS KENNEDY	20,000	5,000	25,000	0	25,000
R4-26	OTIENO PAUL VICTONE	20,000	5,000	25,000	0	25,000
R4-27	ODONGO TOM ODUOR	20,000	5,000	25,000	0	25,000
R4-28	OSEWE SARAH AWINO	20,000	5,000	25,000	0	25,000
R4-29	OGOLA MONICA AWINO	20,000	5,000	25,000	0	25,000
R4-30	OBIERO STANLEY(GEOFFREY	20,000	5,000	25,000	0	25,000
R4-31	OMONDI JENIPHER	20,000	5,000	25,000	0	25,000
R4-32	ODUOR MILTON MAU	20,000	5,000	25,000	0	25,000
R4-33	AMOLLO DOROTHY DORINE	20,000	5,000	25,000	0	25,000
R4-34	ABONG'O JOHN (SHEILA	20,000	5,000	25,000	0	25,000
R4-35	JOSEPH OMONDI	20,000	5,000	25,000	0	25,000
R4-36	OGUTU KENNEDY	20,000	5,000	25,000	0	25,000
R4-37	OTIENO CENDRIN AKINYI	20,000	5,000	25,000	0	25,000
R4-38	ATORO ROBINSON	20,000	5,000	25,000	0	25,000
R4-39	NYAGAO MARGARET ODINDO	20,000	5,000	25,000	0	25,000
R4-41	OTIENO ELIZABETH AKINYI	20,000	5,000	25,000	0	25,000
R4-42	ADERA ANJELIN (TURFENA	20,000	5,000	25,000	0	25,000
R4-43	BONYO G. (ARNOLD OMBECH)	20,000	5,000	25,000	0	25,000

CITY MANAGER OF KISUMU RECEIVED

R4:44	AMUDO DAVID (JAMES O	20,000	5,000	25,000	0	25,000
R4-45	OLOO MARK	20,000	5,000	25,000	0	25,000
R4-46	MUSIGA CHRISTINE	20,000	5,000	25,000	0	25,000
R4-47	APOPO YUANINA	20,000	5,000	25,000	0	25,000
R4-49	MUGA CHARLES	20,000	5,000	25,000	0	25,000
R4-50	ODIPO JOYCE IRENE	20,000	5,000	25,000	0	25,000
R4-51	N/A CYNTHIA	20,000	5,000	25,000	0	25,000
R4-52	ODHIAMBO JANET AKINYI	20,000	5,000	25,000	0	25,000
R4-53	ODHIAMBO JEFF DENNIS	20,000	5,000	25,000	0	25,000
R4-54	ATIENO ROSELINE	20,000	5,000	25,000	0	25,000
R4-55	ONG'UDI PHOEBI	20,000	5,000	25,000	0	25,000
R4-56	ATIENO ESTHER	20,000	5,000	25,000	0	25,000
		1,112,000	**278,000**	**1,390,000**	**0**	**1,390,000**
KISUMU COUNTY OBER KAMOTH HEALTH CENTRE						
F01	OCHIEL FRIDAH	10,000	2,500	12,500	0	12,500
F02	AKOTH LEAH	8,000	2,000	10,000	0	10,000
F03	OMONDI FELIX	8,000	2,000	10,000	0	10,000
		26,000	**6,500**	**32,500**	**0**	**32,500**
KISUMU COUNTY OLD FIRE STATION						
S01	KADIANG'A ELECTRICALS	80,000	50,000	130,000	100,000	30,000
S02	KA-AKWACHA	90,000	30,000	120,000	90,000	30,000
S03	KHISPO ENTERPRISES	-4,000	10,000	6,000	0	6,000
S04	OKANDA GREAT PRINT	10,000	13,000	23,000	13,000	10,000
		176,000	**103,000**	**279,000**	**203,000**	**76,000**
KISUMU COUNTY SLAUGHTER HOUSES MAMBOLEO						
S01	OWINO PETER	18,000	4,500	22,500	0	22,500
S02	OWUOR PETER	18,000	4,500	22,500	0	22,500
S03	OCHIENG FREDRICK	0	4,500	4,500	0	4,500
		36,000	**13,500**	**49,500**	**0**	**49,500**
		2,654,000	776,000	3,430,000	203,000	3,227,000

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MANAGER OF KISUMU CITY
RECEIVED

CITY MANAGER OF KISUMU
RECEIVED

CHARCON PROPERTIES LIMITED
RENT COLLECTION PROGRESS REPORT
(REGION - KISUMU COUNTY)
01/06/2025 - 30/06/2025

UNIT NO	TENANT	RENT BF	RENT BILL	RENT EXPECTED	RENT RECEIVED	RENT ARREARS
KISUMU COUNTY BLOCK 10 MILIMANI						
58A	ERON PIUS	30,000	10,000	40,000	0	40,000
58D	OMONDI GEORGE	30,000	10,000	40,000	0	40,000
		60,000	**20,000**	**80,000**	**0**	**80,000**
KISUMU COUNTY BLOCK 11 MILIMANI						
H11/37	JEROME OKOTH OWAKO	90,000	30,000	120,000	0	120,000
H11/49	ODINGA RUTH ADHIAMBO	30,000	30,000	60,000	0	60,000
H11/47B	HONGO HESBON	90,000	30,000	120,000	0	120,000
H11/47D	PATRICK OUYA	210,000	70,000	280,000	0	280,000
		420,000	**160,000**	**580,000**	**0**	**580,000**
KISUMU COUNTY BLOCK 12 MILIMANI						
H12/91	HON FRED OUTA	255,000	85,000	340,000	0	340,000
		255,000	**85,000**	**340,000**	**0**	**340,000**
KISUMU COUNTY BLOCK 4 TOM MBOYA						
154A	HOLDINGS SHAJANAND	180,000	60,000	240,000	0	240,000
155A	ODERO JOHN OYUCHO	14,000	10,000	24,000	0	24,000
155B	OMOGO JUDY	30,000	10,000	40,000	0	40,000
		224,000	**80,000**	**304,000**	**0**	**304,000**
KISUMU COUNTY KIBUYE ESTATE						
R4-4	N/A OKOYO	24,000	8,000	32,000	0	32,000
R4-7	N/A ODHIAMBO	24,000	8,000	32,000	0	32,000
R4-8	ATIENO MAUREEN	24,000	8,000	32,000	0	32,000
R4-9	OTIENO GRACE M	24,000	8,000	32,000	0	32,000
R4-10	ONYANGO FREDRICK	24,000	8,000	32,000	0	32,000
R4-11	KOBE JAMES	24,000	8,000	32,000	0	32,000
R4-12	MUSANYA JANE	24,000	8,000	32,000	0	32,000
R4-13	OSWAGO DANIEL	24,000	8,000	32,000	0	32,000
R4-14	OLWENY ALICE	24,000	8,000	32,000	0	32,000
R4-15	YIMBO TIMOTHY STEVEN	24,000	8,000	32,000	0	32,000
R4-16	VERA ADELINE	24,000	8,000	32,000	0	32,000
R4-17	KITUA CATHERINE	15,000	5,000	20,000	0	20,000
R4-18	ABONG'O SHADRACK	15,000	5,000	20,000	0	20,000
R4-19	YOGO CHARLES ONYANGO	15,000	5,000	20,000	0	20,000
R4-20	MAGETO AGNES (JOHN MAGETO)	15,000	5,000	20,000	0	20,000
R4-21	OMONDI MAXWEL	15,000	5,000	20,000	0	20,000
R4-22	OKERE TIMOTHY ANYIKO	15,000	5,000	20,000	0	20,000
R4-23	ARINGO DAVID	15,000	5,000	20,000	0	20,000
R4-24	MUSUMBA ANNE DOROTHY	15,000	5,000	20,000	0	20,000
R4-25	OGOLLA THOMAS KENNEDY	15,000	5,000	20,000	0	20,000
R4-26	OTIENO PAUL VICTONE	15,000	5,000	20,000	0	20,000
R4-27	ODONGO TOM ODUOR	15,000	5,000	20,000	0	20,000
R4-28	OSEWE SARAH AWINO	15,000	5,000	20,000	0	20,000
R4-29	OGOLA MONICA AWINO	15,000	5,000	20,000	0	20,000
R4-30	OBIERO STANLEY(GEOFFREY	15,000	5,000	20,000	0	20,000
R4-31	OMONDI JENIPHER	15,000	5,000	20,000	0	20,000
R4-32	ODUOR MILTON MAU	15,000	5,000	20,000	0	20,000
R4-33	AMOLLO DOROTHY DORINE	15,000	5,000	20,000	0	20,000
R4-34	ABONG'O JOHN (SHEILA	15,000	5,000	20,000	0	20,000
R4-35	JOSEPH OMONDI	15,000	5,000	20,000	0	20,000
R4-36	OGUTU KENNEDY	15,000	5,000	20,000	0	20,000
R4-37	OTIENO CENDRIN AKINYI	15,000	5,000	20,000	0	20,000
R4-38	ATORO ROBINSON	15,000	5,000	20,000	0	20,000
R4-39	NYAGAO MARGARET ODINDO	15,000	5,000	20,000	0	20,000
R4-41	OTIENO ELIZABETH AKINYI	15,000	5,000	20,000	0	20,000
R4-42	ADERA ANJELIN (TURFENA AUMA)	15,000	5,000	20,000	0	20,000
R4-43	BONYO G. (ARNOLD OMBECH)	15,000	5,000	20,000	0	20,000
R4-44	AMUDO DAVID (JAMES O ORIGA)	15,000	5,000	20,000	0	20,000

R4-45	OLOO MARK	15,000	5,000	20,000	0	20,000
R4-46	MUSIGA CHRISTINE	15,000	5,000	20,000	0	20,000
R4-47	APOPO YUANINA	15,000	5,000	20,000	0	20,000
R4-49	MUGA CHARLES	15,000	5,000	20,000	0	20,000
R4-50	ODIPO JOYCE IRENE	15,000	5,000	20,000	0	20,000
R4-51	N/A CYNTHIA	15,000	5,000	20,000	0	20,000
R4-52	ODHIAMBO JANET AKINYI	15,000	5,000	20,000	0	20,000
R4-53	ODHIAMBO JEFF DENNIS	15,000	5,000	20,000	0	20,000
R4-54	ATIENO ROSELINE	15,000	5,000	20,000	0	20,000
R4-55	ONG'UDI PHOEBI	15,000	5,000	20,000	0	20,000
R4-56	ATIENO ESTHER	15,000	5,000	20,000	0	20,000
		834,000	**278,000**	**1,112,000**	**0**	**1,112,000**
KISUMU COUNTY OBER KAMOTH HEALTH CENTRE						
F01	OCHIEL FRIDAH	7,500	2,500	10,000	0	10,000
F02	AKOTH LEAH	6,000	2,000	8,000	0	8,000
F03	OMONDI FELIX	6,000	2,000	8,000	0	8,000
		19,500	**6,500**	**26,000**	**0**	**26,000**
KISUMU COUNTY OLD FIRE STATION						
S01	KADIANG'A ELECTRICALS	30,000	50,000	80,000	0	80,000
S02	KA-AKWACHA	60,000	30,000	90,000	0	90,000
S04	OKANDA GREAT PRINT	10,000	13,000	23,000	13,000	10,000
		100,000	**93,000**	**193,000**	**13,000**	**180,000**
KISUMU COUNTY SLAUGHTER HOUSES MAMBOLEO						
S01	OWINO PETER	13,500	4,500	18,000	0	18,000
S02	OWUOR PETER	13,500	4,500	18,000	0	18,000
		27,000	**9,000**	**36,000**	**0**	**36,000**
		1,939,500	731,500	2,671,000	13,000	2,658,000

POWERED BY EZEN FINANCIALS

RECEIVED

CHARCON PROPERTIES LIMITED
RENT COLLECTION PROGRESS REPORT
(REGION - KISUMU COUNTY)
01/05/2025 - 31/05/2025



UNIT NO	A/C NO	TENANT	RENT BF	RENT BILL	RENT EXPECTED	RENT RECEIVED
KISUMU COUNTY BLOCK 10 MILIMANI						
58A	TNT0596	ERON PIUS	20,000	10,000	30,000	0
58D	TNT0597	OMONDI GEORGE	20,000	10,000	30,000	0
			40,000	**20,000**	**60,000**	**0**
KISUMU COUNTY BLOCK 11 MILIMANI						
H11/37	TNT0652	JEROME OKOTH OWAKO	60,000	30,000	90,000	0
H11/49	N/A	ODINGA RUTH ADHIAMBO	0	30,000	30,000	0
H11/47B	TNT0651	HONGO HESBON	60,000	30,000	90,000	0
H11/47D	TNT0653	PATRICK OUYA	140,000	70,000	210,000	0
H11/47E	N/A	OTIENO ALUOKA	0	30,000	30,000	0
			260,000	**190,000**	**450,000**	**0**
KISUMU COUNTY BLOCK 12 MILIMANI						
H12/91	TNT0654	HON FRED OUTA	170,000	85,000	255,000	0
			170,000	**85,000**	**255,000**	**0**
KISUMU COUNTY BLOCK 4 TOM MBOYA						
154A	TNT0593	HOLDINGS SHAJANAND	120,000	60,000	180,000	0
155A	TNT0595	ODERO JOHN OYUCHO	12,000	10,000	22,000	8,000
155B	TNT0594	OMOGO JUDY	20,000	10,000	30,000	0
			152,000	**80,000**	**232,000**	**8,000**
KISUMU COUNTY KIBUYE ESTATE						
R4-4	TNT0635	N/A OKOYO	16,000	8,000	24,000	0
R4-7	TNT0636	N/A ODHIAMBO	16,000	8,000	24,000	0
R4-8	TNT0634	ATIENO MAUREEN	16,000	8,000	24,000	0
R4-9	TNT0633	OTIENO GRACE M	16,000	8,000	24,000	0
R4-10	TNT0632	ONYANGO FREDRICK	16,000	8,000	24,000	0
R4-11	TNT0631	KOBE JAMES	16,000	8,000	24,000	0
R4-12	TNT0630	MUSANYA JANE	16,000	8,000	24,000	0
R4-13	TNT0629	OSWAGO DANIEL	16,000	8,000	24,000	0
R4-14	TNT0628	OLWENY ALICE	16,000	8,000	24,000	0
R4-15	TNT0627	YIMBO TIMOTHY STEVEN	16,000	8,000	24,000	0
R4-16	TNT0626	VERA ADELINE	16,000	8,000	24,000	0
R4-17	TNT0625	KITUA CATHERINE	10,000	5,000	15,000	0
R4-18	TNT0624	ABONG'O SHADRACK	10,000	5,000	15,000	0
R4-19	TNT0623	YOGO CHARLES ONYANGO	10,000	5,000	15,000	0
R4-20	TNT0622	MAGETO AGNES (JOHN MAGETO)	10,000	5,000	15,000	0
R4-21	TNT0621	OMONDI MAXWEL	10,000	5,000	15,000	0
R4-22	TNT0620	OKERE TIMOTHY ANYIKO	10,000	5,000	15,000	0
R4-23	TNT0619	ARINGO DAVID	10,000	5,000	15,000	0
R4-24	TNT0618	MUSUMBA ANNE DOROTHY	10,000	5,000	15,000	0
R4-25	TNT0617	OGOLLA THOMAS KENNEDY	10,000	5,000	15,000	0
R4-26	TNT0616	OTIENO PAUL VICTONE	10,000	5,000	15,000	0
R4-27	TNT0615	ODONGO TOM ODUOR	10,000	5,000	15,000	0
R4-28	TNT0614	OSEWE SARAH AWINO	10,000	5,000	15,000	0
R4-29	TNT0613	OGOLA MONICA AWINO	10,000	5,000	15,000	0
R4-30	TNT0611	OBIERO STANLEY(GEOFFREY AJWANG)	10,000	5,000	15,000	0
R4-31	TNT0609	OMONDI JENIPHER	10,000	5,000	15,000	0
R4-32	TNT0608	ODUOR MILTON MAU	10,000	5,000	15,000	0
R4-33	TNT0603	AMOLLO DOROTHY DORINE	10,000	5,000	15,000	0
R4-34	TNT0604	ABONG'O JOHN (SHEILA ADHIAMBO)	10,000	5,000	15,000	0
R4-35	TNT0602	JOSEPH OMONDI	10,000	5,000	15,000	0
R4-36	TNT0637	OGUTU KENNEDY	10,000	5,000	15,000	0
R4-37	TNT0645	OTIENO CENDRIN AKINYI	10,000	5,000	15,000	0
R4-38	TNT0643	ATORO ROBINSON	10,000	5,000	15,000	0
R4-39	TNT0644	NYAGAO MARGARET ODINDO	10,000	5,000	15,000	0
R4-41	TNT0650	OTIENO ELIZABETH AKINYI	10,000	5,000	15,000	0
R4-42	TNT0605	ADERA ANJELIN (TURFENA AUMA)	10,000	5,000	15,000	0
R4-43	TNT0606	BONYO G. (ARNOLD OMBECH)	10,000	5,000	15,000	0

R4-44	TNT0607	AMUDO DAVID (JAMES O ORIGA)	10,000	5,000	15,000	0
R4-45	TNT0642	OLOO MARK	10,000	5,000	15,000	0
R4-46	TNT0638	MUSIGA CHRISTINE	10,000	5,000	15,000	0
R4-47	TNT0610	APOPO YUANINA	10,000	5,000	15,000	0
R4-49	TNT0612	MUGA CHARLES	10,000	5,000	15,000	0
R4-50	TNT0641	ODIPO JOYCE IRENE	10,000	5,000	15,000	0
R4-51	TNT0648	N/A CYNTHIA	10,000	5,000	15,000	0
R4-52	TNT0649	ODHIAMBO JANET AKINYI	10,000	5,000	15,000	0
R4-53	TNT0639	ODHIAMBO JEFF DENNIS	10,000	5,000	15,000	0
R4-54	TNT0640	ATIENO ROSELINE	10,000	5,000	15,000	0
R4-55	TNT0646	ONG'UDI PHOEBI	10,000	5,000	15,000	0
R4-56	TNT0647	ATIENO ESTHER	10,000	5,000	15,000	0
			556,000	**278,000**	**834,000**	**0**
KISUMU COUNTY OBER KAMOTH HEALTH CENTRE						
F01	TNT0590	OCHIEL FRIDAH	5,000	2,500	7,500	0
F02	TNT0591	AKOTH LEAH	4,000	2,000	6,000	0
F03	TNT0592	OMONDI FELIX	4,000	2,000	6,000	0
			13,000	**6,500**	**19,500**	**0**
KISUMU COUNTY OLD FIRE STATION						
S01	N/A	KADIANG'A ELECTRICALS	50,000	50,000	100,000	70,000
S02	N/A	KA-AKWACHA	30,000	30,000	60,000	0
S04	N/A	OKANDA GREAT PRINT	10,000	13,000	23,000	13,000
			90,000	**93,000**	**183,000**	**83,000**
KISUMU COUNTY SLAUGHTER HOUSES MAMBOLEO						
S01	TNT0587	OWINO PETER	9,000	4,500	13,500	0
S02	TNT0588	OWUOR PETER	9,000	4,500	13,500	0
S03	TNT0589	OCHIENG FREDRICK	9,000	4,500	13,500	12,000
			27,000	**13,500**	**40,500**	**12,000**
			1,308,000	**766,000**	**2,074,000**	**103,000**

POWERED BY EZEN FINANCIALS



CHARCON PROPERTIES LIMITED

RENT COLLECTION PROGRESS REPORT

(REGION - KISUMU COUNTY)

01/04/2025 - 30/04/2025

UNIT NO	A/C NO	TENANT	RENT BF	RENT BILL	RENT EXPECTED	RENT RECEIVED	RENT ARREARS
KISUMU COUNTY BLOCK 10 MILIMANI							
58A	TNT0596	ERON PIUS	10,000	10,000	20,000	0	20,000
58D	TNT0597	OMONDI GEORGE	10,000	10,000	20,000	0	20,000
			20,000	20,000	40,000	0	40,000
KISUMU COUNTY BLOCK 11 MILIMANI							
H11/37	TNT0652	JEROME OKOTH OWAKO	30,000	30,000	60,000	0	60,000
H11/47B	TNT0651	HONGO HESBON	30,000	30,000	60,000	0	60,000
H11/47D	TNT0653	PATRICK OUYA	70,000	70,000	140,000	0	140,000
			130,000	130,000	260,000	0	260,000
KISUMU COUNTY BLOCK 12 MILIMANI							
H12/91	TNT0654	HON FRED OUTA	85,000	85,000	170,000	0	170,000
			85,000	85,000	170,000	0	170,000
KISUMU COUNTY BLOCK 4 TOM MBOYA							
154A	TNT0593	HOLDINGS SHAJANAND	60,000	60,000	120,000	0	120,000
155A	TNT0595	ODERO JOHN OYUCHO	10,000	10,000	20,000	8,000	12,000
155B	TNT0594	OMOGO JUDY	10,000	10,000	20,000	0	20,000
			80,000	80,000	160,000	8,000	152,000
KISUMU COUNTY KIBUYE ESTATE							
R4-4	TNT0635	N/A OKOYO	8,000	8,000	16,000	0	16,000
R4-7	TNT0636	N/A ODHIAMBO	8,000	8,000	16,000	0	16,000
R4-8	TNT0634	ATIENO MAUREEN	8,000	8,000	16,000	0	16,000
R4-9	TNT0633	OTIENO GRACE M	8,000	8,000	16,000	0	16,000
R4-10	TNT0632	ONYANGO FREDRICK	8,000	8,000	16,000	0	16,000
R4-11	TNT0631	KOBE JAMES	8,000	8,000	16,000	0	16,000
R4-12	TNT0630	MUSANYA JANE	8,000	8,000	16,000	0	16,000
R4-13	TNT0629	OSWAGO DANIEL	8,000	8,000	16,000	0	16,000
R4-14	TNT0628	OLWENY ALICE	8,000	8,000	16,000	0	16,000
R4-15	TNT0627	YIMBO TIMOTHY STEVEN	8,000	8,000	16,000	0	16,000
R4-16	TNT0626	VERA ADELINE	8,000	8,000	16,000	0	16,000
R4-17	TNT0625	KITUA CATHERINE	5,000	5,000	10,000	0	10,000
R4-18	TNT0624	ABONG'O SHADRACK	5,000	5,000	10,000	0	10,000
R4-19	TNT0623	YOGO CHARLES ONYANGO	5,000	5,000	10,000	0	10,000
R4-20	TNT0622	MAGETO AGNES (JOHN	5,000	5,000	10,000	0	10,000
R4-21	TNT0621	OMONDI MAXWEL	5,000	5,000	10,000	0	10,000
R4-22	TNT0620	OKERE TIMOTHY ANYIKO	5,000	5,000	10,000	0	10,000
R4-23	TNT0619	ARINGO DAVID	5,000	5,000	10,000	0	10,000
R4-24	TNT0618	MUSUMBA ANNE DOROTHY	5,000	5,000	10,000	0	10,000
R4-25	TNT0617	OGOLLA THOMAS KENNEDY	5,000	5,000	10,000	0	10,000
R4-26	TNT0616	OTIENO PAUL VICTONE	5,000	5,000	10,000	0	10,000
R4-27	TNT0615	ODONGO TOM ODUOR	5,000	5,000	10,000	0	10,000
R4-28	TNT0614	OSEWE SARAH AWINO	5,000	5,000	10,000	0	10,000
R4-29	TNT0613	OGOLA MONICA AWINO	5,000	5,000	10,000	0	10,000
R4-30	TNT0611	OBIERO STANLEY(GEOFFREY	5,000	5,000	10,000	0	10,000
R4-31	TNT0609	OMONDI JENIPHER	5,000	5,000	10,000	0	10,000
R4-32	TNT0608	ODUOR MILTON MAU	5,000	5,000	10,000	0	10,000
R4-33	TNT0603	AMOLLO DOROTHY DORINE	5,000	5,000	10,000	0	10,000
R4-34	TNT0604	ABONG'O JOHN (SHEILA	5,000	5,000	10,000	0	10,000
R4-35	TNT0602	JOSEPH OMONDI	5,000	5,000	10,000	0	10,000
R4-36	TNT0637	OGUTU KENNEDY	5,000	5,000	10,000	0	10,000
R4-37	TNT0645	OTIENO CENDRIN AKINYI	5,000	5,000	10,000	0	10,000
R4-38	TNT0643	ATORO ROBINSON	5,000	5,000	10,000	0	10,000
R4-39	TNT0644	NYAGAO MARGARET	5,000	5,000	10,000	0	10,000
R4-41	TNT0650	OTIENO ELIZABETH AKINYI	5,000	5,000	10,000	0	10,000

COUNTY MANAGER OF KISUMU
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R4-42	TNT0605	ADERA ANJELIN (TURFENA	5,000	5,000	10,000	0	10,000
R4-43	TNT0606	BONYO G. (ARNOLD	5,000	5,000	10,000	0	10,000
R4-44	TNT0607	AMUDO DAVID (JAMES O	5,000	5,000	10,000	0	10,000
R4-45	TNT0642	OLOO MARK	5,000	5,000	10,000	0	10,000
R4-46	TNT0638	MUSIGA CHRISTINE	5,000	5,000	10,000	0	10,000
R4-47	TNT0610	APOPO YUANINA	5,000	5,000	10,000	0	10,000
R4-49	TNT0612	MUGA CHARLES	5,000	5,000	10,000	0	10,000
R4-50	TNT0641	ODIPO JOYCE IRENE	5,000	5,000	10,000	0	10,000
R4-51	TNT0648	N/A CYNTHIA	5,000	5,000	10,000	0	10,000
R4-52	TNT0649	ODHIAMBO JANET AKINYI	5,000	5,000	10,000	0	10,000
R4-53	TNT0639	ODHIAMBO JEFF DENNIS	5,000	5,000	10,000	0	10,000
R4-54	TNT0640	ATIENO ROSELINE	5,000	5,000	10,000	0	10,000
R4-55	TNT0646	ONG'UDI PHOEBI	5,000	5,000	10,000	0	10,000
R4-56	TNT0647	ATIENO ESTHER	5,000	5,000	10,000	0	10,000
			278,000	278,000	556,000	0	556,000
KISUMU COUNTY OBER KAMOTH HEALTH CENTRE							
F01	TNT0590	OCHIEL FRIDAH	2,500	2,500	5,000	0	5,000
F02	TNT0591	AKOTH LEAH	2,000	2,000	4,000	0	4,000
F03	TNT0592	OMONDI FELIX	2,000	2,000	4,000	0	4,000
			6,500	6,500	13,000	0	13,000
KISUMU COUNTY OLD FIRE STATION							
S01	N/A	KADIANG'A ELECTRICALS	0	50,000	50,000	0	50,000
S02	N/A	KA-AKWACHA	0	30,000	30,000	0	30,000
S04	N/A	OKANDA GREAT PRINT	13,000	13,000	26,000	16,000	10,000
			13,000	93,000	106,000	16,000	90,000
KISUMU COUNTY SLAUGHTER HOUSES MAMBOLEO							
S01	TNT0587	OWINO PETER	4,500	4,500	9,000	0	9,000
S02	TNT0588	OWUOR PETER	4,500	4,500	9,000	0	9,000
S03	TNT0589	OCHIENG FREDRICK	4,500	4,500	9,000	0	9,000
			13,500	13,500	27,000	0	27,000
			626,000	706,000	1,332,000	24,000	1,308,000

POWERED BY EZEN FINANCIALS

CITY MANAGER OF KISUMU
RECEIVED
MAY

CHARCON PROPERTIES LIMITED
RENT COLLECTION PROGRESS REPORT
(REGION - KISUMU COUNTY) (FIELD OFFICER - NICHOLAS
01/03/2025 - 31/03/2025



UNIT NO	TENANT	RENT BF	RENT BILL	RENT EXPECTED	RENT RECEIVED	RENT ARREARS
KISUMU COUNTY BLOCK 10 MILIMANI						
58A	ERON PIUS	0	10,000	10,000	0	10,000
58D	OMONDI GEORGE	0	10,000	10,000	0	10,000
		0	**20,000**	**20,000**	**0**	**20,000**
KISUMU COUNTY BLOCK 11 MILIMANI						
H11/37	JEROME OKOTH OWAKO	0	30,000	30,000	0	30,000
H11/47B	HONGO HESBON	0	30,000	30,000	0	30,000
H11/47D	PATRICK OUYA	0	70,000	70,000	0	70,000
		0	**130,000**	**130,000**	**0**	**130,000**
KISUMU COUNTY BLOCK 12 MILIMANI						
H12/91	HON FRED OUTA	0	85,000	85,000	0	85,000
		0	**85,000**	**85,000**	**0**	**85,000**
KISUMU COUNTY BLOCK 4 TOM MBOYA						
154A	HOLDINGS SHAJANAND	0	60,000	60,000	0	60,000
155A	ODERO JOHN OYUCHO	0	10,000	10,000	0	10,000
155B	OMOGO JUDY	0	10,000	10,000	0	10,000
		0	**80,000**	**80,000**	**0**	**80,000**
KISUMU COUNTY KIBUYE ESTATE						
R4-4	N/A OKOYO	0	8,000	8,000	0	8,000
R4-7	N/A ODHIAMBO	0	8,000	8,000	0	8,000
R4-8	ATIENO MAUREEN	0	8,000	8,000	0	8,000
R4-9	OTIENO GRACE M	0	8,000	8,000	0	8,000
R4-10	ONYANGO FREDRICK	0	8,000	8,000	0	8,000
R4-11	KOBE JAMES	0	8,000	8,000	0	8,000
R4-12	MUSANYA JANE	0	8,000	8,000	0	8,000
R4-13	OSWAGO DANIEL	0	8,000	8,000	0	8,000
R4-14	OLWENY ALICE	0	8,000	8,000	0	8,000
R4-15	YIMBO TIMOTHY STEVEN	0	8,000	8,000	0	8,000
R4-16	VERA ADELINE	0	8,000	8,000	0	8,000
R4-17	KITUA CATHERINE	0	5,000	5,000	0	5,000
R4-18	ABONG'O SHADRACK	0	5,000	5,000	0	5,000
R4-19	YOGO CHARLES ONYANGO	0	5,000	5,000	0	5,000
R4-20	MAGETO AGNES (JOHN MAGETO)	0	5,000	5,000	0	5,000
R4-21	OMONDI MAXWEL	0	5,000	5,000	0	5,000
R4-22	OKERE TIMOTHY ANYIKO	0	5,000	5,000	0	5,000
R4-23	ARINGO DAVID	0	5,000	5,000	0	5,000
R4-24	MUSUMBA ANNE DOROTHY	0	5,000	5,000	0	5,000
R4-25	OGOLLA THOMAS KENNEDY	0	5,000	5,000	0	5,000
R4-26	OTIENO PAUL VICTONE	0	5,000	5,000	0	5,000
R4-27	ODONGO TOM ODUOR	0	5,000	5,000	0	5,000
R4-28	OSEWE SARAH AWINO	0	5,000	5,000	0	5,000
R4-29	OGOLA MONICA AWINO	0	5,000	5,000	0	5,000
R4-30	OBIERO STANLEY(GEOFFREY AJWANG)	0	5,000	5,000	0	5,000
R4-31	OMONDI JENIPHER	0	5,000	5,000	0	5,000
R4-32	ODUOR MILTON MAU	0	5,000	5,000	0	5,000
R4-33	AMOLLO DOROTHY DORINE	0	5,000	5,000	0	5,000
R4-34	ABONG'O JOHN (SHEILA ADHIAMBO)	0	5,000	5,000	0	5,000
R4-35	JOSEPH OMONDI	0	5,000	5,000	0	5,000
R4-36	OGUTU KENNEDY	0	5,000	5,000	0	5,000
R4-37	OTIENO CENDRIN AKINYI	0	5,000	5,000	0	5,000
R4-38	ATORO ROBINSON	0	5,000	5,000	0	5,000
R4-39	NYAGAO MARGARET ODINDO	0	5,000	5,000	0	5,000
R4-41	OTIENO ELIZABETH AKINYI	0	5,000	5,000	0	5,000
R4-42	ADERA ANJELIN (TURFENA AUMA)	0	5,000	5,000	0	5,000
R4-43	BONYO G. (ARNOLD OMBECH)	0	5,000	5,000	0	5,000
R4-44	AMUDO DAVID (JAMES O ORIGA)	0	5,000	5,000	0	5,000
R4-45	OLOO MARK	0	5,000	5,000	0	5,000
R4-46	MUSIGA CHRISTINE	0	5,000	5,000	0	5,000
R4-47	APOPO YUANINA	0	5,000	5,000	0	5,000
R4-49	MUGA CHARLES	0	5,000	5,000	0	5,000
R4-50	ODIPO JOYCE IRENE	0	5,000	5,000	0	5,000
R4-51	N/A CYNTHIA	0	5,000	5,000	0	5,000
R4-52	ODHIAMBO JANET AKINYI	0	5,000	5,000	0	5,000

R4-53	ODHIAMBO JEFF DENNIS	0	5,000	5,000	0	5,000
R4-54	ATIENO ROSELINE	0	5,000	5,000	0	5,000
R4-55	ONG'UDI PHOEBI	0	5,000	5,000	0	5,000
R4-56	ATIENO ESTHER	0	5,000	5,000	0	5,000
		0	278,000	278,000	0	278,000
KISUMU COUNTY OBER KAMOTH HEALTH CENTRE						
F01	OCHIEL FRIDAH	0	2,500	2,500	0	2,500
F02	AKOTH LEAH	0	2,000	2,000	0	2,000
F03	OMONDI FELIX	0	2,000	2,000	0	2,000
		0	6,500	6,500	0	6,500
KISUMU COUNTY OLD FIRE STATION						
S04	OKANDA GREAT PRINT	0	13,000	13,000	0	13,000
		0	13,000	13,000	0	13,000
KISUMU COUNTY SLAUGHTER HOUSES MAMBOLEO						
S01	OWINO PETER	0	4,500	4,500	0	4,500
S02	OWUOR PETER	0	4,500	4,500	0	4,500
S03	OCHIENG FREDRICK	0	4,500	4,500	0	4,500
		0	13,500	13,500	0	13,500
		0	626,000	626,000	0	626,000

1

CITY MANAGER OF KISUMU
RECEIVED

PROPERTY MANAGEMENT PROGRESS REPORT FOR THE MANAGEMENT OF COUNTY GOVERNMENT OF KISUMU –CITY OF KISUMU ESTATES AND INSTITUTIONAL HOUSES.

Prepared By:

CHARCON PROPERTIES LIMITED

(Managing Agents)



Reporting Period: 1st March 2025 -30th APRIL 2026

Dated: 3rd May 2026

1. INTRODUCTION

This Property Management Progress Report provides a comprehensive overview of the status, performance, and emerging issues affecting County Government residential and commercial properties under the management of Charcon Properties Limited. The report consolidates data gathered from tenancy records, field inspections, rent collection reports, maintenance assessments, and handover documentation covering the period from March 2025 to April 2026.

The properties under management include various Blocks across Milimani, Kibuye Estate, Ober Kamoth Health Centre, Got Nyabondo Health Centre, Mama Ngina Children's Home, Old Fire Station, Slaughter Houses, and several additional County-owned assets. Despite formal handover records, numerous units have presented challenges including historical ownership disputes, illegal occupations, dilapidated infrastructure, incomplete maintenance histories, and unclear tenancy documentation.

Key legal matters have also impacted management operations. While the major court case involving Kibuye Estate was withdrawn in May 2025 thereby lifting the injunction and allowing Charcon to resume full management. Other cases involving Fred Outa and Patrick Ouya remain active. These ongoing disputes continue to create uncertainty around the stability of tenancy enforcement and asset control.

The introduction of payroll check-off deductions on all county employees including senior staff, new tenants, and multiple lease renewals will improve rent collection structure, though inconsistencies in payroll remittances and unresponsiveness among County employees—particularly senior staff—have contributed to persistent arrears.

Additionally, several units occupied by County departments, security personnel, or converted for institutional use remain non-revenue generating, limiting potential rental income. Significant maintenance challenges, especially in Kibuye Estate, Slaughter Houses, Block 12, Ober Kamoth, and other aging structures, further hinder habitability and revenue potential.

This report provides detailed insights into the current occupancy levels, tenancy issues, rent collections, maintenance needs, and actionable recommendations to enhance efficiency, improve compliance, and safeguard County revenue.

2. OCCUPANCY & TENANCY MANAGEMENT

2.1 Occupancy Levels

- Occupancy levels across the estates remain high, with most units occupied despite ongoing disputes and maintenance challenges.
- Several units are non-revenue generating due to occupation by County departments, security personnel, and institutional users.
- Demolished units, particularly under NSSF in Block 8, have reduced the overall number of habitable units.
- Some units remain unoccupied due to dilapidated conditions, pending repairs, or unresolved ownership claims.
- A comprehensive physical verification exercise is ongoing to establish the accurate number of habitable, occupied, and vacant units.

2.2 New Leases / Renewals

- There have been minimal new leases signed during the reporting period due to ongoing disputes, unresolved ownership claims, and non-compliance by various tenant categories.
- Several renewal processes remain pending as tenants await clarification on ownership disputes, court outcomes, and updated tenancy records.
- Some tenants have expressed willingness to renew their leases once outstanding disputes—particularly in Kibuye Estate and Blocks 4 and 8—are resolved.
- Lease renewal efforts continue to be affected by the backlog caused by the delayed handover and disruptions from the previous court injunction.
- Renewal of Tenancy Agreements and leases is further dependent on the new County Finance Act, which prescribes the updated rent rates to be applied. This document has not been availed to us, making it impossible to commence the latest round of lease renewals.
- All new tenants are provided with lease agreements to safeguard the interests of the Landlord and ensure proper legal protection for both parties.

2.3 Tenancy Issues & Constraints

- Some tenants continue citing the ongoing Hon. Fred Outa's Case, and Patrick Ouya's Court matter as justification for non-payment of rent or delayed compliance with tenancy obligations. The two tenants have active court cases that affects our ability to collect rent from the units.
- Several units across Blocks 4, 8, 10, 11, and 12 have unresolved ownership disputes, making enforcement of rent collection impossible until verification is completed. For Instance, the block occupied by Shajanand holdings.
- Properties occupied by County departments, security personnel, and institutional users are non-revenue generating, limiting expected income from the handed-over units.
- Demolished units, especially in Block 8 under NSSF, have reduced the number of active rent-yielding houses.
- Handover delays between July 2024 and March 2025 contributed to incomplete historical rent records, missing tenant files, and unverified arrears.
- Units with structural damage (e.g., leaking roofs, plumbing failures, dilapidated walls) have tenants withholding payment pending repairs.
- A significant number of County Government employees in higher ranks, including County Executive Committee Members, have been unwilling to pay rent. Despite repeated follow-ups, many either ignore communication or remain non-responsive to official correspondence, creating substantial challenges in enforcing tenancy obligations.
- Some tenants making payments through payroll check-off deductions continue to show arrears in their accounts despite regular deductions being made. This indicates gaps in remittance reconciliation between the payroll office and the rent accounts.
- Several County employees at different levels also continue to default on rent payments. Their accounts have accumulated arrears over several months despite repeated reminders and follow-ups.
- There are claims that some units at Kibuye Estate were allegedly sold under a tenant purchase scheme. This affects approximately four units and has created disputes over rightful ownership and rent collection responsibilities. Their accounts have accumulated arrears over several months despite repeated reminders and follow-ups.



2.4 Properties Handed Over to Charcon Properties Limited

According to the official ledger and handover documentation, the following Estates, Residential Blocks, and Institutional Houses were handed over to **Charcon Properties Limited** for management:

A. Residential Blocks – Estates & Housing Units

Block 11: 37, 38, 43, 46, 47, 47B, 47C, 47D, 48, 49 & 52

Block 4: 149A, 149B, 158A, 158B, 154A & 154B

Block 8: 79, 79A, 148A, 148B, 208, 208A; 258A, 258B, 258C, 258D, 258E, 258F; 259A, 259B, 259C & 259D

Block 10: A, B, C & D

Block 12: 91A, 91B & 91C

Slaughter Houses (Residential Units): Slaughter House A, Slaughter House B, Slaughter House C

Kibuye Estate – About 45 units

B. Institutional & Special Facilities

- Ober Kamoth Health Centre
- Got Nyabondo Health Centre-
- Mama Ngina Children's Home
- Old Fire Station

2.5 Outstanding Issues in Several Blocks Despite the Handover

Despite the availability of records and the formal handover of Estates, Residential Units, and Institutional Houses, several blocks still present significant operational and documentation challenges that affect effective management. These include:

Block 4: Houses 4/149, 4/149A, and 4/149B are occupied by KIWASCO. These units no longer exist as residential units; KIWASCO Headquarters was constructed on their site. As a result, the block now hosts KIWASCO offices, and rent cannot be collected from these units since they are no longer under residential tenancy.

Additionally, Houses 4/155 and 4/155A are occupied by Shajanand Holdings Limited. The company claims ownership of these properties and asserts that they possess valid documents supporting this claim. As a result, the occupants maintain that they cannot pay rent for premises they believe they legally own.

Furthermore, Houses 4/154 and 4/154A are occupied by two County staff members. The occupant of House 4/154A had initially begun paying rent; however, payments were disrupted after an individual came forward claiming ownership of the property, alleging that it was acquired several years ago and no longer belongs to the County Government of Kisumu.

Block 8: Houses 8/148 and 8/148A are occupied by the Governor's security detail, making rent collection impossible. Houses 8/208A and 8/208B are used by the County First Lady as offices; therefore, rent cannot

be enforced on these units. Houses 8/258A, 8/258B, 8/258C, 8/258D, 8/258E and 8/259A, 8/259B, 8/259C, 8/259D were found to belong to NSSF and have since been demolished to pave way for modern housing construction by NSSF. These houses no longer exist.

Block 10: House 10/58A is currently occupied by the County Disaster Management Offices. Other tenants in this block were issued with vacation notices by the County, which intends to take possession of the entire block for official use. The County has since constructed a perimeter wall around the block, indicating its full administrative control of the premises.

Got Nyabondo Health Centre- property has been condemned and declared uninhabitable, posing a significant health, safety, and compliance risk; no rental income can be derived until redevelopment or major reconstruction is undertaken.

Mama Ngina Children's Home: The manager's unit is used as a store and a dormitory, making it non-revenue generating.

Ober Kamoth Health Centre: The units do not have water, are leaking, and are currently uninhabitable. These conditions must be addressed before rent can be enforced.

3. RENT COLLECTION & ARREARS

- Rent collection has faced numerous challenges due to ownership disputes, non-compliance by tenants, and delays in remittance updates.
- Several County Government employees—including those in senior positions—have accumulated arrears and have not been responsive to follow-ups.
- Tenants paying through payroll check-off have continued to show arrears despite monthly deductions, indicating gaps in reconciliation between payroll and the rent accounts.
- Non-revenue units occupied by County departments, security units, and institutional users have affected projected income.
- Disputes over alleged tenant-purchase arrangements at Kibuye have affected approximately four units, limiting the ability to enforce rent.
- Dilapidated and uninhabitable units have contributed to reduced rent potential.
- A summary of rent collected and billings between 1st March 2025 and 31st October 2025 has been attached.

4. MAINTENANCE & REPAIRS

- Ongoing inspections have revealed multiple areas requiring immediate attention, including plumbing, electrical, and structural repairs.
- Ground floor units across Blocks 4, 8, and 11 require wall repairs due to water damage.
- Roof and gutter maintenance for Block 12 and institutional facilities is ongoing.
- Regular painting and minor repairs are being coordinated with tenants to minimize disruption.
- Kibuye Estate in particular requires urgent and comprehensive maintenance to address aging structures, leaking roofs, dilapidated floors and walls, and non-operational plumbing systems in several units.
- Roof concerns have also been identified at the Slaughter Houses, and House 11/49 has no properly functioning plumbing system
- Block 12-A & B units are dilapidated and require a complete overhaul.
- All maintenance works are prioritized based on urgency, occupancy, and tenant safety.
- At the Old Fire Station, tenants have their shop doors facing the opposite side of the road. To enable proper customer access, there is an urgent need to have the doors reoriented to face the main road.



5. RISKS & EMERGING ISSUES

- Non-compliance by senior County Government employees and other tenants, resulting in prolonged arrears.
- Units under ownership disputes, tenant purchase claims, or unclear titles affecting enforceability of rent collection.
- Non-revenue generating units occupied by County departments, security personnel, and institutional users.
- Dilapidated, demolished, or unmaintained units reducing rental income potential.
- Historical gaps and delays in handover records from July 2024 to March 2025, impacting accurate tenancy data and rent reconciliation.
- Maintenance backlogs in Kibuye Estate, Slaughter Houses, Block 12, and other units affecting tenant satisfaction and safety.
- Delays in receiving updated County Finance Act rates, hindering lease renewal processes and standardizing rent charges.
- Court cases, previously active, can create uncertainty and impact management operations if similar disputes arise in the future.
- Disputes or delays in payroll deductions reconciliation, causing tenants' accounts to reflect arrears incorrectly.
- Unresponsiveness by tenants to correspondence and follow-ups, delaying enforcement of tenancy obligations.
- Environmental and structural risks in units with leaking roofs, dilapidated walls, and non-functional plumbing systems.

6. KEY RECOMMENDATIONS

- Strengthen follow-up and enforcement on non-compliant tenants, particularly senior County Government employees.
- Resolve ownership disputes and verify claims under tenant purchase schemes to enable effective rent collection.
- Expedite maintenance works, especially in Kibuye Estate, Slaughter Houses, Block 12, and other dilapidated units.
- Prioritize renovation of units with leaking roofs, damaged walls, non-functional plumbing, and other structural concerns.
- Collaborate with the County to finalize and communicate the updated Finance Act rates to facilitate lease renewals.
- Conduct comprehensive rent reconciliation, including payroll deduction accounts, to correct discrepancies and update tenant ledgers.
- Enhance communication channels with tenants to ensure responsiveness and compliance.
- Regularly monitor and update tenancy records to reflect current occupancy, rent status, and arrears accurately.
- Implement a risk mitigation plan to address potential disputes, maintenance hazards, and structural risks.

7. CONCLUSION

Despite challenges arising from delayed handover, disputed units, non-compliance by tenants, and the previous court case in Kibuye Estate, Charcon Properties Limited has made substantial progress in stabilizing management operations and rent administration.

Continued cooperation from the County, timely resolution of ownership disputes, effective maintenance programs, and enforcement of tenancy obligations will enhance revenue recovery, tenant satisfaction, and overall operational efficiency.

The management remains committed to improving occupancy compliance, ensuring proper upkeep of all units, and implementing structured processes for lease renewals, rent collection, and arrears management. With everything streamlined, we will be able to maintain updated tenant records and leases efficiently.

JKIRON.
26/04/2026

CITY MANAGER OF KISUMU
RECEIVED
03 MAY 2026

THE COUNTY GOVERNMENT OF KISUMU

Department of Finance, Economic Planning & ICT Services

REF: CGK/FIN/CO/1/VOL.II **DATE:** 5th October, 2023

TO: CHIIEF EXECUTIVE OFFICER,
M/S SAFARICOM PLC,
P.O BOX 66827-00800,
NAIROBI , KENYA

RE:NOTIFICATION OF AWARD FOR SUPPLY AND DELIVERY, DESIGN, DEVELOPMENT, INSTALLATION,DEPLOYMENT, TESTING, COMMISSIONING AND MAINTENANCE OF A FULLY AUTOMATED AND INTEGRATED COUNTY REVENUE MANAGEMENT SYSTEM FOR YEAR 2023-2024: TENDER NO. CGK/FIN/OP/2023-2024/005/NEG NO. 1352785.

This is in response to your letter **Ref: EBU/SAF/KSM/RSM/29/09/2023/(1)** dated **3rd October, 2023** regarding the above mentioned tender.

The recurrent charge of **4%** of total revenue collected from the system is considered as a separate charge which will be included in the special conditions of contract.

The Tender sum amounting **Kshs.49,556,676.09(Forty Nine Million, Five Hundred and Fifty Six Thousand, Six Hundred and Seventy Six Hundred Cents Nine shillings only)** is what was read out and recorded during the Tender Opening and indicated in the letter of notification of award **dated 29th September, 2023.**

I hope this explains why it was not included in the Award letter.

PAUL NJENGA WAWERU
CHIEF OFFICER FINANCE, ECONOMIC PLANNING & ICT SERVICES

CC County Secretary
CECM Finance & Economic Planning & ICT
Chairman Revenue Board

F

REPUBLIC OF KENYA

THE COUNTY GOVERNMENT OF KISUMU

Department of Finance, Economic Planning & ICT Services

T E N D E R D O C U M E N T

FOR

SUPPLY, DELIVERY, DESIGN, DEVELOPMENT, INSTALLATION, DEPLOYMENT, TESTING, COMMISSIONING AND MAINTENANCE OF A FULLY AUTOMATED AND INTEGRATED COUNTY REVENUE MANAGEMENT SYSTEM

TENDER NO: CGK/FIN/OP/2023-2024/005

NEGOTIATION NUMBER: 1352785

DEADLINE SUBMISSION DATE: 31ST AUGUST 2023 AT 11:00 AM

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INVITATION TO TENDER (ITT)

PROCURING ENTITY: *COUNTY GOVERNMENT OF KISUMU, DEPARTMENT OF FINANCE, ECONOMIC PLANNING & ICT SERVICES*

CONTRACT NAME AND DESCRIPTION: *SUPPLY, DELIVERY, DESIGN, DEVELOPMENT, INSTALLATION, DEPLOYMENT, TESTING, COMMISSIONING AND MAINTENANCE OF A FULLY AUTOMATED AND INTEGRATED COUNTY REVENUE MANAGEMENT SYSTEM*

1. The *County Government of Kisumu, Department of Finance, Economic Planning & ICT Services* invites sealed tenders for the *supply, delivery, design, development, installation, deployment, testing, commissioning and maintenance of a fully automated and integrated county revenue management system.*

2. Tendering will be conducted under open competitive method (National) using a standardized tender document. Tendering is open to all eligible, qualified and interested Tenderers.

3. Qualified and interested tenderers may obtain further information and inspect the Tender Documents during office hours *[0900hrs to 1500hours]* at the address given below.

4. A complete set of tender documents may be obtained by interested tenders electronically free of charge from the County Website www.tenders.go.ke and/or from the Public Procurement Information Portal (PPIP) portal www.tenders.go.ke. Tenderers downloading documents from a designated website shall advise the Procurement Entity that they have downloaded the tender documents, giving full contact addresses of the tenderer (*procurement.cgk@kisumu.go.ke*).

5. Tender documents may be viewed and downloaded for free from the county website (*www.kisumu.go.ke*). Tenderers who download the tender document must forward their particulars immediately to (procurement.cgk@kisumu.go.ke) to facilitate any further clarification or addendum.

6. All Tenders must be accompanied by a *"tender Security"* of *Ksh.500,000 (Kenya Shillings Five Hundred Thousand Only*

7. Completed tenders must be delivered to the address below on or before ***31st August 2023*** *at* ***11:00 Am*** Electronic Tenders *will* be permitted. *All* tenderers are instructed to submit one Manual Original tender document and also upload the same in the IFMIS Portal supplier.treasury.go.ke **(Negotiation Number 1352785)**.

8. Tenders will be opened immediately after the deadline date and time specified above or any deadline date and time specified later. Tenders will be publicly opened in the presence of the Tenderers' designated representatives who choose to attend at the address below.

9. Late tenders will be rejected.

10. The addresses referred to above are:

a. Address for obtaining further information

Office of Director Supply Chain Management
County Government of Kisumu
P.O Box 2738-40100 Kisumu
Prosperity House 2nd Floor Wing C
Email: procurement.cgk@kisumu.go.ke

A. Address for Submission of Tenders.

THE COUNTY SECRETARY
COUNTY GOVERNMENT OF KISUMU
P.O BOX 2738-40100
KISUMU

Or in the Tender Box at the Reception Area 2nd Floor Wing C

B. Address for Opening of Tenders.

Office of Director Supply Chain Management
County Government of Kisumu
P.O Box 2738-40100 Kisumu
Prosperity House 2nd Floor Wing C
Email: procurement.cgk@kisumu.go.ke

[Authorized Official]

DIRECTOR SUPPLY CHAIN MANAGEMENT
COUNTY GOVERNMENT OF KISUMU
P.O BOX 2738-40100
KISUMU.

PART 1 - TENDERING PROCEDURES

SECTION I - INSTRUCTIONS TO TENDERERS (ITT)

Section I - Instructions to Tenderers

A. GENERAL

1. Scope of Tender

1.1 The Procuring Entity, as indicated **in the TDS**, issues this tendering document for the supply and installation of the Information System as specified in Section V, Procuring Entity's Requirements. The name, identification and number of lots (contracts) of this ITT are specified **in the TDS.**

2. Definitions

2.1 Unless otherwise stated, throughout this tendering document definitions and interpretations shall be as prescribed in the Section VI, General Conditions of Contract.

2.3 Throughout this tendering document:

a) The term "in writing" means communicated in written form (e.g., by mail, e-mail, fax, including if specified in the **TDS**, distributed or received through the electronic-procurement system used by the Procuring Entity) with proof of receipt;

b) If the context so requires, "singular" means "plural" and vice versa; and

c) "Day" means calendar day, unless otherwise specified as "Business Day". A Business Day is any day that is an official working day of the Procuring Entity. It excludes the Procuring Entity's official public holidays.

d) "Information System" shall carry the same meaning as "Information Technology".

3. Fraud and Corruption

3.1 The Procuring Entity requires compliance with the provisions of the Public Procurement and Asset Disposal Act, 2015, Section 62 "Declaration not to engage in corruption". The tender submitted by a person shall include a declaration that the person shall not engage in any corrupt or fraudulent practice and a declaration that the person or his or her sub-contractors are not debarred from participating in public procurement proceedings.

3.2 The Procuring Entity requires compliance with the provisions of the Competition Act 2010, regarding collusive practices in contracting. Any tenderer found to have engaged in collusive conduct shall be disqualified and criminal and/ or civil sanctions may be imposed. To this effect, Tenderers shall be required to complete and sign the "Certificate of Independent Tender Determination" annexed to the Form of Tender.

3.3 Unfair Competitive Advantage -Fairness and transparency in the tender process require that the Firms or their Affiliates competing for a specific assignment do not derive a competitive advantage from having provided consulting services related to this tender. The Procuring Entity shall indicate in the TDS firms (if any) that provided consulting services for the contract being tendered for. The Procuring Entity shall check whether the owners or controllers of the Tenderer are same as those that provided consulting services. The Procuring Entity shall, upon request, make available to any tenderer information that would give such firm unfair competitive advantage over competing firms.

3.4 Tenderers shall permit and shall cause their agents (whether declared or not), subcontractors, sub-consultants, service providers, suppliers, and their personnel, to permit the Procuring Entity to inspect all accounts, records and other documents relating to any initial selection process, pre-qualification process, tender submission, proposal submission, and contract performance (in the case of award), and to have them audited by auditors appointed by the Procuring Entity.

4 Eligible Tenderers

4.1 A Tenderer may be a firm that is a private entity, a state-owned enterprise or institution subject to ITT 4.6, or any combination of such entities in the form of a joint venture (JV) under an existing agreement or with the intent to enter in to such an agreement supported by a Form of Intent. Public employees and their close relatives *(spouses, children, brothers, sisters and uncles and aunts)* are not eligible to participate in the tender. In the case of a joint venture, all members shall be jointly and severally liable for the execution of the contract in accordance with the

Contract terms. The JV shall nominate a Representative who shall have the authority to conduct all business for and on behalf of any and all the members of the JV during the Tendering process and, in the event the JV is awarded the contract, during contract execution. Members of a joint venture may not also make an individual tender, be a subcontractor in a separate tender or be part of another joint venture for the purposes of the same Tender. The maximum number of JV members shall be specified in the **TDS.**

4.2 Public Officers of the Procuring Entity, their Spouses, Child, Parent, Brothers or Sister. Child, Parent, Brother or Sister of a Spouse, their business associates or agents and firms / organizations in which they have a substantial or controlling interest shall not be eligible to tender or be awarded a contract. Public Officers are also not allowed to participate in any procurement proceedings.

4.3 A Tenderer shall not have a conflict of interest. Any Tenderer found to have a conflict of interest shall be disqualified. A Tenderer may be considered to have a conflict of interest for the purpose of this Tendering process, if the Tenderer:

a. Directly or indirectly controls, is controlled by or is under common control with another Tenderer; or

b. Receives or has received any direct or indirect subsidy from another Tenderer; or

c. Has the same legal representative as another Tenderer; or

d. Has a relationship with another Tenderer, directly or through common third parties, that puts it in a position to influence the Tender of another Tenderer, or influence the decisions of the Procuring Entity regarding this Tendering process; or

e. Any of its affiliates participates as a consultant in the preparation of the design or technical specifications of the Information System that are the subject of the Tender; or

f. Or any of its affiliates has been hired (or is proposed to be hired) by the Procuring Entity or Procuring Entity as Project Manager for the Contract implementation; or

g. Would be providing goods, works, or non-consulting services resulting from or directly related to consulting services for the preparation or implementation of the project specified in the TDSITT2.1 that it provided or were provided by any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm; or

h. Has a close business or family relationship with a professional staff of the Procuring Entity who: -

i. Are directly or in directly involved in the preparation of the tendering document or specifications of the Contract, and/ or the Tender evaluation process of such Contract. or

ii. Would be involved in the implementation or supervision of such Contract unless the conflict stemming from such relationship has been resolved in a manner acceptable to the Procuring Entity throughout the Tendering process and execution of the Contract.

4.4 A firm that is a Tenderer (either individually or as a JV member) shall not participate as a Tenderer or as JV member in more than one Tender except for permitted alternative Tenders. Such participation shall result in the disqualification of all Tenders in which the firm is involved. However, this does not limit the participation of a Tenderer as subcontractor in another Tender or of a firm as a subcontractor in more than one Tender.

4.5 A Tenderer may have the nationality of any country, subject to the restrictions pursuant to ITT4.9. A Tenderer shall be deemed to have the nationality of a country if the Tenderer is constituted, incorporated or registered in and operates in conformity with the provisions of the laws of that country, as evidenced by its articles of incorporation (or equivalent documents of constitution or association) and its registration documents, as the case maybe. This criterion also shall apply to the determination of the nationality of proposed sub-contractors or sub- consultants for any part of the Contract including related Services.

4.6 A Tenderer that has been debarred from participating in public procurement shall be ineligible to tender or be awarded a contract. The list of debarred firms and individuals is available from the website of PPRA www.ppra.go.ke.

4.7 Tenderers that are state-owned enterprises or institutions in Kenya may be eligible to compete and be awarded a Contract(s) only if they can establish that they (i) are legally and financially autonomous (ii) operate under commercial law, and (iii) are not under supervision of the Procuring Entity.

4.8 Firms and individuals may be ineligible if (a) as a matter of law or official regulations, Kenya prohibits commercial relations with that country, or (b) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, Kenya prohibits any import of goods or contracting of works or services from that country, or any payments to any country, person, or

entity in that country.

4.9 The Procuring Entity may require tenderers to be registered with certain authorities in Kenya. Such registration shall be defined in the **TDS**, but care must be taken to ensure such registration requirement does not discourage competition, nor exclude competent tenderers. Registration shall not be a condition for tender, but where a selected tenderer is not so registered, the tenderer shall be given opportunity to register before signing of the contract.

4.10 Foreign tenderers are required to source at least forty (40%) percent of their contract inputs (in supplies, subcontracts and labor) from national suppliers and contractors. To this end, a foreign tenderer shall provide in its tender documentary evidence that this requirement is met. Foreign tenderers not meeting this criterion will be automatically disqualified. Information required to enable the Procuring Entity determine if this condition is met shall be provided in for this purpose is be provided in "SECTION III- EVALUATION AND QUALIFICATION CRITERIA, Item 9".

4.11 Pursuant to the eligibility requirements of ITT 4.11, a tenderer is considered a foreign tenderer, if it is registered in Kenya, has less than 51 percent ownership by nationals of Kenya and if it does not subcontract foreign contractors more than 10 percent of the contract price, excluding provisional sums. JVs are considered as foreign tenderers if the individual member firms are registered in Kenya have less than 51 percent ownership by nationals of Kenya. The JV shall not subcontract to foreign firms more than 10 percent of the contract price, excluding provisional sums.

4.12 The Competition Act of Kenya requires that firms wishing to tender as Joint Venture undertakings which may prevent, distort or lessen competition in provision of services are prohibited unless they are exempt in accordance with the provisions of Section 25 of the Competition Act, 2010. JVs will be required to seek for exemption from the Competition Authority. Exemption shall not be a condition for tender, but it shall be a condition of contract award and signature. A JV tenderer shall be given opportunity to seek such exemption as a condition of award and signature of contract. Application for exemption from the Competition Authority of Kenya may be accessed from the website www.cak.go.ke

4.13 Tenderers shall be considered ineligible for procurement if they offer goods, works and production processes with characteristics that have been declared by the relevant national environmental protection agency or by other competent authority as harmful to human beings and to the environment.

4.14 A Kenyan tenderer shall be eligible to tender if it provides evidence of having fulfilled his/her tax obligations by producing a valid tax compliance certificate or tax exemption certificate issued by the Kenya Revenue Authority.

5 Eligible Goods and Services

5.1 The Information Systems to be supplied under the Contract may have their origin in any eligible country.

5.2 For the purposes of this tendering document, the term "Information System" means all:

i. the required information technologies, including all information processing and communications-related hardware, software, supplies, and consumable items that the Supplier is required to supply and install under the Contract, plus all associated documentation, and all other materials and goods to be supplied, installed, integrated, and made operational; and

ii. the related software development, transportation, insurance, installation, customization, integration, commissioning, training, technical support, maintenance, repair, and other services necessary for proper operation of the Information System to be provided by the selected Tenderer and as specified in the Contract.

5.3 For purposes of ITT 5.1 above, "origin" means the place where the goods and services making the Information System are produced in or supplied from. An Information System is deemed to be produced in a certain country when, in the territory of that country, through software development, manufacturing, or substantial and major assembly or integration of components, a commercially recognized product results that is substantially different in basic characteristics or in purpose or utility from its components.

5.4 Any goods, works and production processes with characteristics that have been declared by the relevant national environmental protection agency or by other competent authority as harmful to human beings and to the environment shall not be eligible for procurement under this Act.

B. CONTENTS OF TENDERING DOCUMENT

6 Sections of Tendering Document

PART 1 - Tendering Procedures

Section I - Instructions to Tenderers (ITT)

Section II - Tender Data Sheet (TDS)

Section III - Evaluation and Qualification Criteria

Section IV - Tendering Forms

PART 2 - Procuring Entity's Requirements

Section V - Requirements of the Information Systems

Section VI - Technical Requirements

Section VII - Implementation Schedule

Section VIII - System Inventory Tables

Section IX - Background and Informational Materials

PART 3 - Contract

Section X - General Conditions of Contract

Section XII - Special Conditions of Contract

Section XIII - Contract Forms

6.1 The Invitation to Tender Notice issued by the Procuring Entity is not part of this tendering document.

6.2 Unless obtained directly from the Procuring Entity, the Procuring Entity is not responsible for the completeness of the document, responses to requests for clarification, the Minutes of the pre-Tender meeting (if any), or Addenda to the tendering document in accordance with ITT 10. In case of any contradiction, documents obtained directly from the Procuring Entity shall prevail.

6.3 The Tenderer is expected to examine all instructions, forms, terms, and specifications in the tendering document and to furnish with its Tender all information or documentation as is required by the tendering document.

7 Site Visit

7.1 The Tenderer, at the Tenderer's own responsibility and risk, is encouraged to visit and examine the Site of the Required Services and its surroundings and obtain all information that may be necessary for preparing the Tender and entering in to a contract for the Services. The costs of visiting the Site shall beat the Tenderer's own expense.

8 Pre-Tender Meeting and a pre- arranged pretender visit of the site of the works

8.1 The Procuring Entity shall specify in the **TDS** if a pre-tender conference will be held, when and where. The Procuring Entity shall also specify in the **TDS** if a pre-arranged pretender visit of the site of the works will be held and when. The Tenderer's designated representative is invited to attend a pre-arranged pretender visit of the site of the works. The purpose of the meeting will be to clarify issues and to answer questions on any matter that may be raised at that stage.

8.2 The Tenderer is requested to submit any questions in writing, to reach the Procuring Entity not later than the period specified in the **TDS** before the meeting.

8.3 Minutes of the pre-Tender meeting and the pre-arranged pre-tender visit of the site of the works, if applicable, including the text of the questions asked by Tenderers and the responses given, together with any responses prepared after the meeting, will be transmitted promptly to all Tenderers who have acquired the Tender Documents in accordance with ITT 6.3. Minutes shall not identify the source of the questions asked.

8.4 The Procuring Entity shall also promptly publish anonymized (*no names*) Minutes of the pre-Tender meeting and the pre-arranged pre-tender visit of the site of the works at the web page identified **in the TDS**. Any

modification to the Tender Documents that may become necessary as a result of the pre-Tender meeting shall be made by the Procuring Entity exclusively through the issue of an Addendum pursuant to ITT 10 and not through the minutes of the pre-Tender meeting. Nonattendance at the pre-Tender meeting will not be a cause for disqualification of a Tenderer.

9 Clarification of Tender Documents

9.1 A Tenderer requiring any clarification of the Tender Document shall contact the Procuring Entity in writing at the Procuring Entity's address specified in the TDS or raise its enquiries during the pre-Tender meeting and the pre- arranged pretender visit of the site of the works if provided for in accordance with ITT 8.4. The Procuring Entity will respond in writing to any request for clarification, provided that such request is received no later than the period specified in the TDS prior to the deadline for submission of tenders. The Procuring Entity shall forward copies of its response to all tenderers who have acquired the Tender Documents in accordance with ITT 6.3, including a description of the inquiry but without identifying its source. If so specified in the **TDS**, the Procuring Entity shall also promptly publish its response at the web page identified in the **TDS**. Should the clarification resulting changes to the essential elements of the Tender Documents, the Procuring Entity shall amend the Tender Documents appropriately following the procedure under ITT 10.

10 Amendment of Tendering Document

10.1 At any time prior to the deadline for submission of Tenders, the Procuring Entity may amend the Tendering document by issuing addenda.

10.2 Any addendum issued shall be part of the tendering document and shall be communicated in writing to all who have obtained the tendering document from the Procuring Entity in accordance with ITT 6.3. The Procuring Entity shall also promptly publish the addendum on the Procuring Entity's webpage in accordance with ITT 8.1.

10.3 To give prospective Tenderers reasonable time in which to take an addendum into account in preparing their Tenders, the Procuring Entity shall extend, as necessary, the deadline for submission of Tenders, in accordance with ITT 24.2 below.

C. PREPARATION OF TENDERS

11 Cost of Tendering

11.1 The Tenderer shall bear all costs associated with the preparation and submission of its Tender, and the Procuring Entity shall not be responsible or liable for those costs, regardless of the conduct or outcome of the Tendering process.

12 Language of Tender

12.1 The Tender, as well as all correspondence and documents relating to the tender exchanged by the Tenderer and the Procuring Entity, shall be written in the English language**.** Supporting documents and printed literature that are part of the Tender may be in another language provided they are accompanied by an accurate translation of the relevant passages in the English language, in which case, for purposes of interpretation of the Tender, such translation shall govern.

13 Documents Comprising the Tender

13.1 The Tender submitted by the Tenderer shall comprise the following:

a. **Form of Tender** prepared in accordance with ITT 14;
b. **Price Schedules** completed in accordance with ITT 14 and ITT 16;
c. **Tender Security or Tender-Securing Declaration** in accordance with ITT 22;
d. **Alternative Tender:** if permissible, in accordance with ITT 15;
e. **Authorization:** written confirmation authorizing the signatory of the Tender to commit the Tenderer, in accordance with ITT 23.3;
f. **Eligibility of Information System:** documentary evidence established in accordance with ITT 16.1 that the Information System offered by the Tenderer in its Tender or in any alternative Tender, if permitted, are eligible;

g. **Tenderer's Eligibility:** documentary evidence in accordance with ITT 17 establishing the Tenderer's eligibility and qualifications to perform the contract if its Tender is accepted;

h. **Conformity:** documentary evidence established in accordance with ITT 18 that the Information System offered by the Tenderer conform to the tendering document;

i. **Subcontractors:** list of subcontractors, in accordance with ITT 18.4;

j. **Intellectual Property**: a list of: Intellectual Property as defined in GCC Clause 15;

i) All Software included in the Tender, assigning each item to one of the software categories defined in GCC Clause1.1(C):

a. System, General Purpose, and Application Software; or

b. Standard and Custom Software;

iii. All Custom Materials, as defined in GCCClause1.1(c), included in the Tender;

All Materials not identified as Custom Materials shall be deemed Standard Materials, as defined in GCC Clause 1.1 (c); Re-assignments among the Software and Materials categories, if necessary, will be made during the implementation of the Contract according to GCC Clause 39 (Changes to the Information System); and

k. Any other document required **in the TDS.**

13.2 In addition to the requirements under ITT 13.1, Tenders submitted by a JV shall include a copy of the Joint Venture Agreement entered into by all members indicating at least the parts of the Information System to be executed by the respective members. Alternatively, a Form of intent to execute a Joint Venture Agreement in the information System to be executed by the respective members.

13.1 The Tenderer shall furnish in the Form of Tender information on commissions and gratuities, if any, paid or to be paid to agents or any other party relating to this Tender. The Tenderer shall serialize page so fall tender documents submitted.

14 Form of Tender and Price Schedules

14.1 The Tenderer shall complete the Form of Tender, including the appropriate Price Schedules, using the relevant forms furnished in Section IV, Tendering Forms. The forms must be completed without any alterations to the text, and no substitutes shall be accepted except as provided under ITT 21.3. All blank spaces shall be filled in with the information requested. The Tenderer shall chronologically serialize all pages of the tender documents submitted.

15 Alternative Tenders

15.1 The TDS indicates whether alternative Tenders are allowed. If they are allowed, the **TDS** will also indicate whether they are permitted in accordance with ITT 13.3, or invited in accordance with ITT 13.2 and/or ITT 13.4.

15.2 When alternatives to the Time Schedule are explicitly invited, a statement to that effect will be included **in the TDS**, and the method of evaluating different time schedules will be described in Section III, Evaluation and Qualification Criteria.

15.1 Except as provided under ITT 15.4 below, Tenderers wishing to offer technical alternatives to the Procuring Entity's requirements as described in the tendering document must also provide: (i) a price at which they are prepared to offer an Information System meeting the Procuring Entity's requirements; and (ii) all information necessary for a complete evaluation of the alternatives by the Procuring Entity, including drawings, design calculations, technical specifications, breakdown of prices, and proposed installation methodology and other relevant details. Only the technical alternatives, if any, of the Tenderer with the Best Evaluated Tender conforming to the basic technical requirements shall be considered by the Procuring Entity.

15.4 When Tenderers are invited **in the TDS** to submit alternative technical solutions for specified parts of the system, such parts shall be described in Section V, Procuring Entity's Requirements. Technical alternatives that comply with the performance and technical criteria specified for the Information System shall be considered by the Procuring Entity on their own merits, pursuant to ITT 35.

16 Documents Establishing the Eligibility of the Information System

16.1 To establish the eligibility of the Information System in accordance with ITT 5, Tenderers shall complete the country-of-origin declarations in the Price Schedule Forms, included in Section IV, Tendering Forms.

17 Documents Establishing the Eligibility and Qualifications of the Tenderer

17..1 To establish its eligibility and qualifications to perform the Contracting accordance with Section III, Evaluation and Qualification Criteria, the Tenderer shall provide the information requested in the corresponding information sheets included in Section IV, Tendering Forms.

17.1 In the event that pre-qualification of potential Tenderers has been undertaken as stated **in the TDS**, only Tenders from pre-qualified Tenderers shall be considered for award of Contract. These qualified Tenderers should submit with their Tenders any information updating their original pre-qualification applications or, alternatively, confirm in their Tenders that the originally submitted pre-qualification information remains essentially correct as of the date of Tender submission.

17.2 Tenderers shall be asked to provide, as part of the data for qualification, such information, including details of ownership, as shall be required to determine whether, according to the classification established by the Procuring Entity, a particular contractor or group of contractors qualifies for a margin of preference. Further the information will enable the Procuring Entity identify any actual or potential conflict of interest in relation to the procurement and/or contract management processes, or a possibility of collusion between tenderers, and thereby help to prevent any corrupt influence in relation to the procurement process or contract management.

17.3 The purpose of the information described in ITT 15.1 above overrides any claims to confidentiality which a tenderer may have. There can be no circumstances in which it would be justified for a tenderer to keep information relating to its ownership and control confidential where it is tendering to undertake public sector work and receive public sector funds. Thus, confidentiality will not be accepted by the Procuring Entity as a justification for a Tenderer's failure to disclose, or failure to provide required information on its ownership and control.

17.4 The Tenderer shall provide further documentary proof, information or authorizations that the Procuring Entity may request in relation to ownership and control, any changes to the information which was provided by the tenderer under ITT 6.3. The obligations to require this information shall continue for the duration of the procurement process and contract performance and after completion of the contract, if any change to the information previously provided may reveal a conflict of interest in relation to the award or management of the contract.

17.5 All information provided by the tenderer pursuant to these requirements must be complete, current and accurate as at the date of provision to the Procuring Entity. In submitting the information required pursuant to these requirements, the Tenderer shall warrant that the information submitted is complete, current and accurate as at the date of submission to the Procuring Entity.

17.6 If a tenderer fails to submit the information required by these requirements, its tenderer will be rejected. Similarly, if the Procuring Entity is unable, after taking reasonable steps, to verify to a reasonable degree the information submitted by a tenderer pursuant to these requirements, then the tender will be rejected.

17.7 If information submitted by a tenderer pursuant to these requirements, or obtained by the Procuring Entity (whether through its own enquiries, through notification by the public or otherwise), shows any conflict of interest which could materially and improperly benefit the tenderer in relation to the procurement or contract management process, then:

a. If the procurement process is still ongoing, the tenderer will be disqualified from the procurement process,
b. If the contract has been awarded to that tenderer, the contract award will be set aside,
c. the tenderer will be referred to the relevant law enforcement authorities for investigation of whether the tenderer or any other persons have committed any criminal offence.

17.8 If a tenderer submits information pursuant to these requirements that is in complete, inaccurate or out-of-date, or attempts to obstruct the verification process, then the consequences ITT 6.7 will ensue unless the tenderer can show to the reasonable satisfaction of the Procuring Entity that any such act was not material, or was due to genuine error which was not attributable to the intentional act, negligence or recklessness of the tenderer.

18 Documents Establishing Conformity of the Information System

18.1 Pursuant to ITT 11.1(h), the Tenderer shall furnish, as part of its Tender documents establishing the conformity to the tendering documents of the Information System that the Tenderer proposes to design, supply and install under the Contract.

18.2 The documentary evidence of conformity of the Information System to the tendering documents including:

a) Preliminary Project Plan describing, among other things, the methods by which the Tenderer will carry out its overall management and coordination responsibilities if awarded the Contract, and the human and other resources the Tenderer proposes to use. The Preliminary Project Plan must also address any other topics **specified in the TDS**. In addition, the Preliminary Project Plan should state the Tenderer's assessment of what it expects the Procuring Entity and any other party involved in the implementation of the Information System to provide during implementation and how the Tenderer proposes to coordinate the activities of all involved parties;

b) Written confirmation that the Tenderer accepts responsibility for the successful integration and inter-operability of all components of the Information System as required by the tendering documents;

c) An item-by-item commentary on the Procuring Entity's Technical Requirements, demonstrating the substantial responsiveness of the Information System offered to those requirements. In demonstrating responsiveness, the Tenderer is encouraged to use the Technical Responsiveness Checklist (or Checklist Format) in the Sample Tendering Forms (Section IV). The commentary shall include explicit cross-references to the relevant pages in the supporting materials included in the tender. Whenever a discrepancy arises between the item-by-item commentary and any catalogs, technical specifications, or other preprinted materials submitted with the tender, the item-by-item commentary shall prevail;

d) Support material (e.g., product literature, white papers, narrative descriptions of technologies and/or technical approaches), as required and appropriate; and

e) Any separate and enforceable contract(s) for Recurrent Cost items which the TDS ITT 17.2 required Tenderers to tender.

18.3 Referencestobrandnamesormodelnumbersornationalorproprietarystandardsdesignatedbytheprocuring Entity in the tendering documents are intended to be descriptive and not restrictive. Except where explicitly prohibited in the **TDS** for specific items or standards, the Tenderer may substitute alternative brand /model names or standards in its tender, provided that it demonstrates to the Procuring Entity's satisfaction that the use of the substitute(s) will result in the Information System being able to perform substantially equivalent to or better than that specified in the Technical Requirements.

18.4 For major items of the Information System as listed by the Procuring Entity in Section III, Evaluation and Qualification Criteria, which the Tenderer intends to purchase or subcontract, the Tenderer shall give details of the name and nationality of the proposed subcontractors, including manufacturers, for each of those items. In addition, the Tenderer shall include in its Tender information establishing compliance with the requirements specified by the Procuring Entity for these items. Quoted rates and prices will be deemed to apply to whichever subcontractor is appointed, and no adjustment of the rates and prices will be permitted.

18.5 The Tenderer shall be responsible for ensuring that any subcontractor proposed complies with the requirements of ITT 4, and that any goods or services to be provided by the subcontractor comply with the requirements of ITT 5 and ITT 16.1.

19 Tender Prices

19.1 All Goods and Services identified in the Supply and Installation Cost Sub-Tables in System Inventory Tables in Section VII, and all other Goods and Services proposed by the Tenderer to fulfill the requirements of the Information System, must be priced separately and summarized in the corresponding cost tables in the Sample Tendering Forms (Section IV), in accordance with the instructions provided in the tables and in the manner specified below.

19.2 **Unless otherwise specified in the TDS**, the Tenderer must also tender Recurrent Cost Items specified in the Technical Requirements, Recurrent Cost Sub-Table of the System Inventory Tables in Section VII (if any). These must be priced separately and summarized in the corresponding cost table sin the Sample Tendering Forms (Section IV), in accordance with the instructions provided in the tables and in the manner specified below:

a) **If specified in the TDS,** the Tenderer must also tender separate enforceable contracts for the Recurrent Cost Items not included in the main Contract;

b) prices for Recurrent Costs are all-inclusive of the costs of necessary Goods such as spare parts, software license renewals, labor, etc., needed for the continued and proper operation of the Information System and, if appropriate, of the Tenderer's own allowance for price increases;

c) prices for Recurrent Costs beyond the scope of warranty services to be incurred during the Warranty Period, defined in GCC Clause 29.4 and prices for Recurrent Costs to be incurred during the Post-Warranty Period, defined in SCC Clause 1.1. (e) (xiii), shall be quoted as Service prices on the Recurrent Cost Sub-Table in detail, and on the Recurrent Cost Summary Table in currency totals.

19.3 Unit prices must be quoted at a level of detail appropriate for calculation of any partial deliveries or partial payments under the contract, in accordance with the Implementation Schedule in Section VII), and with GCC and SCC Clause 12 – Terms of Payment. Tenderers may be required to provide a breakdown of any composite or lump-sum items included in the Cost Tables

19.4 The price of items that the Tenderer has left blank in the cost tables provided in the Sample Tender Forms (Section IV) shall be assumed to be included in the price of other items. Items omitted altogether from the cost tables shall be assumed to be omitted from the tender and, provided that the tender is substantially responsive, an adjustment to the tender price will be made during tender evaluation in accordance with ITT 31.3.

19.5 The prices for Goods components of the Information System are to be expressed and shall be defined and governed in accordance with the rules prescribed in the edition of incoterms **specified in the TDS,** as follows:

a) Goods supplied from outside Kenya:
Unless otherwise specified in the TDS, the prices shall be quoted on a CIP (named place of destination) basis, exclusive of all taxes, stamps, duties, levies, and fees imposed in Kenya. The named place of destination and special instructions for the contract of carriage are as specified in the SCC for GCC 1.1(e) (iii)**.** In quoting the price, the Tenderer shall be free to use transportation through carriers registered in any eligible countries. Similarly, the Tenderer may obtain insurance services from any eligible source country;

b) Locally supplied Goods: Unit prices of Goods offered from within Kenya, shall be quoted on an EXW (ex- factory, ex works, ex ware house or off- the-shelf, as applicable) basis, including all customs duties, levies, fees, sales and other taxes incurred until delivery of the Goods, but excluding all VAT or sales and other taxes and duties/fees incurred for the Goods at the time of invoicing or sales transaction, if the Contract is awarded; and

c) Inland transportation.

19.6 Unless otherwise stated in the **TDS,** inland transportation, insurance and related local costs incidental to the delivery of the Goods to the designated Project Sites must be quoted separately as a Service item in accordance with ITT 17.5, whether the Goods are to be supplied locally or from outside Kenya, except when these costs are already included in the price of the Goods, as is, e.g., the case, when ITT 17.5 (a) specifies CIP, and the named places of destination are the Project Sites.

19.7 The price of Services shall be separated into their local and foreign currency components and where appropriate, broken down into unit prices. Prices must include all taxes, duties, levies and fees whatsoever, except only VAT or other indirect taxes, or stamp duties, that may be assessed and/ or apply in Kenyan /to the price of the Services invoiced to the Procuring Entity, if the Contract is awarded.

19.8 Unless otherwise specified in the **TDS**, the prices must include all costs incidental to the performance of the Services, as incurred by the Supplier, such as travel, subsistence, office support, communications, translation, printing of materials, etc. Costs incidental to the delivery of the Services but incurred by the Procuring Entity or its staff, or by third parties, must be included in the price only to the extent such obligations are made explicit in these tendering documents (as, e.g., a requirement for the Tenderer to include the travel and subsistence costs of trainees).

19.9 Unless otherwise specified in the **TDS,** prices quoted by the Tenderer shall be fixed during the Tenderer's performance of the Contract and not subject to increases on any account. Tenders submitted that are subject to price adjustment will be rejected.

20 Currencies of Tender and Payment

20.1 The currency(ies) of the Tender and currencies of payment shall be the same. The Tenderer shall quote in Kenya shillings the portion of the Tender price that corresponds to expenditures incurred in Kenya currency, unless otherwise specified **in the TDS**.

20.2 The Tenderer may express the Tender price in any currency. If the Tenderer wishes to be paid in a combination of amounts in different currencies, it may quote its price accordingly but shall use no more than **two foreign currencies** in addition to Kenyan currency.

21 Period of Validity of Tenders

21.1 Tenders shall remain valid for the period specified **in the TDS** after the Tender submission deadline date prescribed by the Procuring Entity in accordance with ITT 23.1. A Tender valid for a shorter period shall be rejected by the Procuring Entity as non-responsive.

21.2 exceptional circumstances, prior to the expiration of the Tender validity period, the Procuring Entity may request Tenderers to extend the period of validity of their Tenders. The request and the responses shall be made in writing. If a Tender Security is requested in accordance with ITT 20.1, it shall also be extended for thirty days (30) beyond the deadline of the extended validity period. A Tenderer may refuse the request without forfeiting its Tender Security. A Tenderer granting the request shall not be required or permitted to modify its Tender, except as provided in ITT 19.3.

22 Tender Security

22.1 The Tenderer shall furnish as part of its Tender, either a Tender-Securing Declaration or a Tender Security as specified **in the TDS**, in original form and, in the case of a Tender Security, in the amount and currency specified **in the TDS**.

22.2 A Tender-Securing Declaration shall use the form included in Section IV, Tendering Forms.

22.3 If a Tender Security is specified pursuant to ITT 20.1, the tender security shall be a demand guarantee in any of the following forms at the Tenderer's option:

a. cash;
b. a bank guarantee;
c. a guarantee by an insurance company registered and licensed by the Insurance Regulatory Authority listed by the Authority; or
d. a guarantee issued by a financial institution approved and licensed by the Central Bank of Kenya,
e. any other form specified in the **TDS.**

If an unconditional guarantee is issued by a non-bank financial institution located outside Kenya, the issuing non-bank financial institution shall have a correspondent financial institution located in Kenya to make it enforceable unless the Procuring Entity has agreed in writing, prior to Tender submission, that a correspondent financial institution is not required.

22.4 In the case of a bank guarantee, the Tender Security shall be submitted either using the Tender Security Form included in Section IV, Tendering Forms or in another substantially similar format approved by the Procuring Entity prior to Tender submission. I neither case, the form must include the complete name of the Tenderer. The Tender Security shall be valid for thirty days (30) beyond the original validity period of the Tender, or beyond any period of extension if requested under ITT 19.2.

22.5 If a Tender Security or a Tender-Securing Declaration is specified pursuant to ITT 20.1, any Tender not accompanied by a substantially responsive Tender Security or Tender-Securing Declaration shall be rejected by the Procuring Entity as non-responsive.

22.6 The Tender Security shall be returned/release as promptly as possible

a) The procurement proceedings are terminated;
b) The procuring entity determines that none of the submitted tenders is responsive;
c) A bidder declines to extend the tender validity.
d) Once the successful Tenderer has signed the Contract and furnished the required Performance Security.

22.7 The Tender Security may be forfeited or the Tender-Securing Declaration executed:

a) if a Tenderer withdraws its Tender during the period of Tender validity specified by the Tenderer on the Form of Tender; or
b) if the successful Tenderer fails to**:**

i) sign the Contract in accordance with ITT 47; or

ii) furnish a performance security in accordance with ITT 48.

22.8 Where the Tender-Securing Declaration is executed the Procuring Entity will recommend to the PPRA to debars the Tenderer from participating in public procurement as provided in the law.

22.9 The Tender Security or the Tender-Securing Declaration of a JV shall be in the name of the JV that submits the tender. If the JV has not been legally constituted in to a legally enforceable JV at the time of Tendering, the Tender Security or the Tender-Securing Declaration shall be in the names of all future members as named in the Form of intent referred to in ITT 4.1 and ITT 11.2.

22.10 A tenderer shall not issue a tender security to guarantee itself.

23 Format and Signing of Tender

23.1 The Tenderer shall prepare one original of the documents comprising the Tender as described in ITT 11 and clearly mark it "ORIGINAL." Alternative Tenders, if permitted in accordance with ITT 13, shall be clearly marked "ALTERNATIVE". In addition, the Tenderer shall submit copies of the Tender, in the number specified **in the TDS** and clearly mark them "COPY." In the event of any discrepancy between the original and the copies, the original shall prevail.

23.2 Tenderers shall mark as "CONFIDENTIAL" information in their Tenders which is confidential to their business. This may include proprietary information, trade secrets, or commercial or financially sensitive information.

23.3 The original and all copies of the Tender shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the Tenderer. This authorization shall consist of a written confirmation as specified **in the TDS** and shall be attached to the Tender. The name and position held by each person signing the authorization must be typed or printed below the signature. All pages of the Tender where entries or amendments have been made shall be signed or initialed by the person signing the Tender.

23.4 In case the Tenderer is a JV, the Tender shall be signed by an authorized representative of the JV on behalf of the JV, and so as to be legally binding on all the members as evidenced by a power of attorney signed by their legally authorized representatives.

23.5 Any interlineations, erasures, or overwriting shall be valid only if they are signed or initialed by the person signing the Tender.

D. SUBMISSION AND OPENING OF TENDERS

24 Submission, Sealing and Marking of Tenders

24.1 The Tenderer shall deliver the Tender in a single, sealed envelope (one (1) envelope process). Within the single envelope the Tenderer shall place the following separate, sealed envelopes:

a) In an envelope marked "ORIGINAL", all documents comprising the Tender, as described in ITT 11; and

b) In an envelope marked "COPIES", all required copies of the Tender; and,

c) If alternative Tenders are permitted in accordance with ITT 13, and if relevant:

i) In an envelope marked "ORIGINAL–ALTERNATIVETENDER", the alternative Tender; and

ii) in the envelope marked "COPIES – ALTERNATIVE TENDER" all required copies of the alternative Tender.

24.2 The inner envelopes shall:

a) Bear the name and address of the Tenderer;

b) Be addressed to the Procuring Entity/ Employer in accordance with ITT 23.1;

c) Bear the specific identification of this Tendering process specified in accordance with ITT 1.1; and

d) Bear a warning not to open before the time and date for Tender opening.

The outer envelopes shall:

e) Be addressed to the Procuring Entity/ Employer in accordance with ITT 23.1;

f) Bear the specific identification of this Tendering process specified in accordance with ITT 1.1; and bear a warning not to open before the time and date for Tender opening.

24.3 I fall envelopes are not sealed and marked as required, the Procuring Entity will assume no responsibility for the misplacement or premature opening of the Tender. Tenders that are misplaced or opened prematurely will not be accepted.

25 Deadline for Submission of Tenders

25.1 Tenders must be received by the Procuring Entity at the address and no later than the date and time indicated **in the TDS**. When so specified **in the TDS**, Tenderers shall have the option of submitting their Tenders electronically. Tenderers submitting Tenders electronically shall follow the electronic Tender submission procedures specified **in the TDS**.

25.2 The Procuring Entity may, at its discretion, extend this deadline for submission of Tenders by amending the tendering documents in accordance with ITT 8, in which case all rights and obligations of the Procuring Entity and Tenderers will thereafter be subject to the deadline as extended.

26 Late Tenders

26.1 The Procuring Entity shall not consider any Tender that arrives after the deadline for submission of Tenders, in accordance with ITT 23. Any Tender received by the Procuring Entity after the deadline for submission of Tenders shall be declared late, rejected, and returned unopened to the Tenderer.

27 Withdrawal, Substitution, and Modification of Tenders

27.1 A Tenderer may withdraw, substitute, or modify its Tender after it has been submitted by sending a written notice, duly signed by an authorized representative, and shall include a copy of the authorization in accordance with ITT 21.3, (except that withdrawal notices do not require copies). The corresponding substitution or modification of the Tender must accompany the respective written notice. All notices must be:

a) prepared and submitted in accordance with ITT 21 and ITT 22 (except that withdrawals notices do not require copies), and in addition, the respective envelopes shall be clearly marked "WITHDRAWAL," "SUBSTITUTION," "MODIFICATION;" and

b) received by the Procuring Entity prior to the deadline prescribed for submission of Tenders, in accordance with ITT23.

27.2 Tenders requested to be withdrawn in accordance with ITT 25.1 shall be returned unopened to the Tenderers.

27.3 No Tender may be withdrawn, substituted, or modified in the interval between the deadline for submission of Tender sand the expiration of the period of Tender validity specified by the Tenderer on the Form of Tender or any extension thereof.

28 Tender Opening

28.1 Except as in the cases specified in ITT 24 and ITT 25.2, the Procuring Entity shall conduct the Tender opening in public, in the presence of Tenderers' designated representatives who chooses to attend, and at the address, date and time specified **in the TDS**. Any specific electronic Tender opening procedures required if electronic tendering is permitted in accordance with ITT 23.1, shall be as specified **in the TDS**.

28.2 First, envelopes marked "WITHDRAWAL" shall be opened and read out and the envelopes with the corresponding Tender shall not be opened but returned to the Tenderer. No Tender withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at Tender opening.

28.3 Next, envelopes marked "SUBSTITUTION" shall be opened and read out and exchanged with the corresponding Tender being substituted, and the substituted Tender shall not be opened, but returned to the Tenderer. No Tender substitution shall be permitted unless the corresponding substitution notice contains a valid authorization to request the substitution and is read out at Tender opening.

28.4 Envelopes marked "Modification" shall be opened and read out with the corresponding Tender. No Tender modification shall be permitted unless the corresponding modification notice contains a valid authorization to request the modification and is read out at Tender opening. Only Tenders that are opened and read out at Tender opening shall be considered further.

28.5 Next, all remaining envelopes shall be opened one at a time, reading out: the name of the Tenderer and the Tender Price(s), including any discounts and alternative Tenders, and indicating whether there is a modification; the presence or absence of a Tender Security or Tender-Securing Declaration; and any other details as the Procuring Entity may consider appropriate.

28.6 Only Tenders, alternative Tenders and discounts that are opened and read out at Tender opening shall be considered further in the evaluation. The Form of Tender and the Price Schedules are to be initialed by representatives of the Procuring Entity attending Tender opening in the manner specified **in the TDS**.

28.7 The Procuring Entity shall neither discuss the merits of any Tender nor reject any Tender (except for late Tenders, in accordance with ITT 24.1).

28.8 The Procuring Entity shall prepare a record of the Tender opening that shall include, as a minimum:

a) The name of the Tenderer and whether there is a withdrawal, substitution, or modification;

b) The Tender Price, per lot if applicable, including any discounts;

c) Any alternative Tenders; and

d) The presence or absence of a Tender Security or a Tender-Securing Declaration.

28.9 The Tenderers' representatives who are present shall be requested to sign the minutes. The omission of a Tenderer's signature on the minutes shall not invalidate the contents and effect of the minutes. A copy of the tender opening register shall be distributed to all Tenderers upon request.

E. Evaluation and Comparison of Tenders

29 Confidentiality

29.1 Information relating to the evaluation of Tenders and recommendation of contract award, shall not be disclosed to Tenderers or any other persons not officially concerned with the Tendering process until the Notification of Intention to Award the Contract is transmitted to all Tenderers in accordance with ITT 42.

29.2 Any effort by a Tenderer to influence the Procuring Entity in the evaluation of the Tenders or Contract award decisions may result in the rejection of its Tender.

29.3 Not with standing ITT 27.2, from the time of Tender opening to the time of Contract award, if any Tenderer wishes to contact the Procuring Entity on any matter related to the Tendering process, it should do so in writing.

30 Clarification of Tenders

30.1 To assist in the examination, evaluation, and comparison of the Tenders, and qualification of the Tenderers, the Procuring Entity may, at its discretion, ask any Tenderer for a clarification of its Tender. Any clarification submitted by a Tenderer that is not in response to a request by the Procuring Entity shall not be considered. The Procuring Entity's request for clarification and the response shall be in writing. No change in the prices or substance of the Tender shall be sought, offered, or permitted, except to confirm the correction of arithmetic errors discovered by the Procuring Entity in the evaluation of the Tenders, in accordance with ITT32.

30.2 If a Tenderer does not provide clarifications of its Tender by the date and time set in the Procuring Entity's request for clarification, its Tender may be rejected.

31 Deviations, Reservations, and Omissions

31.1 During the evaluation of Tenders, the following definitions apply:

a) "Deviation" is a departure from the requirements specified in the tendering document;

b) "Reservation" is the setting of limiting conditions or withholding from complete acceptance of the requirements specified in the tendering document; and

c) "Omission" is the failure to submit part or all of the information or documentation required in the tendering document.

32 Determination of Responsiveness

32.1 The Procuring Entity's determination of a Tender's responsiveness is to be based on the contents of the Tender itself, as defined in ITT 11.

32.2 A substantially responsive Tender is one that meets the requirements of the tendering document without material deviation, reservation, or omission. A material deviation, reservation, or omission is one that;

a) If accepted, would:

i) Affect in any substantial way the scope, quality, or performance of the Information System specified in the Contract; or

ii) Limit in any substantial way, in consistent with the tendering document, the Procuring Entity's rights or the Tenderer's obligations under the proposed Contract; or

b) if rectified, would unfairly affect the competitive position of other Tenderers presenting substantially responsive Tenders.

32.3 The Procuring Entity shall examine the technical aspects of the Tender in particular, to confirm that all requirements of Section V, Procuring Entity's Requirements have been met without any material deviation, reservation, or omission.

32.4 To be considered for Contract award, Tenderers must have submitted Tenders:

a) for which detailed Tender evaluation using the same standards for compliance determination as listed in ITT 29 and ITT 30.3 confirms that the Tenders are commercially and technically responsive, and include the hardware, Software, related equipment, products, Materials, and other Goods and Services components of the Information System in substantially the full required quantities for the entire Information System or, if allowed in the TDS ITT 35.8, the individual Subsystem, lot or slice Tender on; and are deemed by the Procuring Entity as commercially and technically responsive; and

b) that offer Information Technologies that are proven to perform up to the standards promised in the tender by having successfully passed the performance, benchmark, and/or functionality tests the Procuring Entity may require, pursuant to ITT 39.3.

33 Non-material Non-conformities

33.1 Provided that a Tender is substantially responsive, the Procuring Entity may waive any nonconformity in the Tender that does not constitute a material deviation, reservation or omission.

33.2 Provided that a Tender is substantially responsive, the Procuring Entity may request that the Tenderer submit the necessary information or documentation, within a reasonable period of time, to rectify nonmaterial non-conformities in the Tender related to documentation requirements. Requesting information or documentation on such non-conformities shall not be related to any aspect of the price of the Tender. Failure of the Tenderer to comply with the request may result in the rejection of its Tender.

33.3 Provided that a Tender is substantially responsive, the Procuring Entity shall rectify quantifiable nonmaterial non-conformities related to the Tender Price. To this effect, the Tender Price shall be adjusted, for comparison purposes only, to reflect the price of a missing or non-conforming item or component in the manner specified **in the TDS**.

34 Correction of Arithmetical Errors

34.1 The tender sum as submitted and read out during the tender opening shall be absolute and final and shall not be the subject of correction, adjustment or amendment in anyway by any person or entity.

34.2 Provided that the Tender is substantially responsive, the Procuring Entity shall handle errors on the following basis:

a) Any error detected if considered a major deviation that affects the substance of the tender, shall lead to disqualification of the tender as non-responsive.

b) Any errors in the submitted tender a rising from a miscalculation of unit price, quantity, subtotal and total bid price shall be considered as a major deviation that affects the substance of the tender and shall lead to disqualification of the tender as non-responsive. and

c) If there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail.

35 Conversion to Single Currency

35.1 For evaluation and comparison purposes, the currency(ies) of the Tender shall be converted into a single currency as specified **in the TDS**.

36 Margin of Preference and Reservations

36.1 A margin of preference on local contractors may be allowed only when the contract is open to international competitive tendering where foreign contractors are expected to participate in the tendering process and where the contract exceeds the value/ threshold specified in the Regulations.

36.2 A margin of preference shall not be allowed unless it is specified so in the **TDS**.

36.3 Contracts procured on basis of international competitive tendering shall not be subject to reservations exclusive to specific groups as provided in ITT 34.4.

36.4 Where it is intended to reserve a contract to a specific group of businesses (these groups are Small and Medium Enterprises, Women Enterprises, Youth Enterprises and Enterprises of persons living with disability, as the case maybe), and who are appropriately registered as such by the authority to be specified in the **TDS**, a procuring entity shall ensure that the invitation to tender specifically indicates in the **TDS** that only businesses or firms belonging to the specified group are eligible to tender. No tender shall be reserved to more than one group. If not so stated in the Invitation to Tender and in the Tender documents, the invitation to tender will be open to all interested tenderers.

37 Evaluation of Tenders

37.1 The Procuring Entity shall use the criteria and methodologies listed in this ITT and Section III, Evaluation and Qualification criteria. No other evaluation criteria or methodologies shall be permitted. By applying the criteria and methodologies the Procuring Entity shall determine the Best Evaluated Tender.

37.2 To evaluate a Tender, the Procuring Entity shall consider the following:

a) Price adjustment due to discounts offered in accordance with ITT 14.4;

b) converting the amount resulting from applying (a) and (b) above, if relevant, to a single currency in accordance with ITT 33;

c) price adjustment due to quantifiable non material non-conformities in accordance with ITT 31.3; and

d) any additional evaluation factors specified **in the TDS** and Section III, Evaluation and Qualification Criteria.

38 Preliminary Examination

38.1 The Procuring Entity will examine the tenders, to determine whether they have been properly signed, whether required sureties have been furnished, whether any computational errors have been made, whether required sure ties have been furnished and are substantially complete (e.g., not missing key parts of the tender or silent on excessively large portions of the Technical Requirements). In the case where a pre-qualification process was undertaken for the Contract (s) for which these tendering documents have been issued, the Procuring Entity will ensure that each tender is from a pre-qualified Tenderer and, in the case of a Joint Venture, that partners and structure of the Joint Venture are unchanged from those in the pre-qualification.

39 Technical Evaluation

39.1 The Procuring Entity will examine the information supplied by the Tenderers Pursuant to ITT 11 and ITT 16, and in response to other requirements in the Tendering document, considering the following factors:

a) Overall completeness and compliance with the Technical Requirements; and deviations from the Technical Requirements;

b) suitability of the Information System offered in relation to the conditions prevailing at the site; and the suitability of the implementation and other services proposed, as described in the Preliminary Project Plan included in the tender;

c) achievement of specified performance criteria by the Information System;

d) compliance with the time schedule called for by the Implementation Schedule and any alternative time schedules offered by Tenderers, as evidenced by a milestone schedule provided in the Preliminary Project Plan included in the tender;

e) type, quantity, quality, and long-term availability of maintenance services and of any critical consumable items necessary for the operation of the Information System;

f) any other relevant technical factors that the Procuring Entity deems necessary or prudent to take into consideration;

g) any proposed deviations in the tender to the contractual and technical provisions stipulated in the tendering documents.

39.2 The Procuring Entity's evaluation of tenders will consider technical factors, in addition to cost factors. The Technical Evaluation will be conducted following the Criteria specified in Section III, Evaluation and Qualification Criteria, which permits a comprehensive assessment of the technical merits of each Tender. All tenders that fail to pass this evaluation will be considered non-responsive and will not be evaluated further.

39.3 Where alternative technical solutions have been allowed in accordance with ITT 13, and offered by the Tenderer, the Procuring Entity will make a similar evaluation of the alternatives. Where alternatives have not been allowed but have been offered, they shall be ignored.

39.4 Where the tender involves multiple lots or contracts, the tenderer will be allowed to tender for one or more lots (contracts). Each lot or contract will be evaluated in accordance with ITT 35.2. The methodology to determine the lowest evaluated tenderer or tenderers based one lot (contract) or based on a combination of lots (contracts), will be specified in Section III, Evaluation and Qualification Criteria. In the case of multiple lots or contracts, tenderer will be will be required to prepare the Eligibility and Qualification Criteria Form for each Lot.

40 Financial/ Economic Evaluation

40.1 To evaluate a Tender, the Procuring Entity shall consider the following:

a) price adjustment due to unconditional discounts offered in accordance with ITT 26.8; excluding provisional sums and contingencies, if any, but including Day work items, where priced competitively.

b) Price adjustment due to quantifiable non material non-conformities in accordance with ITT 31.3;

c) converting the amount resulting from applying (a) to (c) above, if relevant, to a single currency in accordance with ITT 33; and

d) the evaluation factors indicated in Section III, Evaluation and Qualification Criteria.

If price adjustment is allowed in accordance with ITT 17.9, the estimated effect of the price adjustment provisions of the Conditions of Contract, applied over the period of execution of the Contract, shall not be considered in Tender evaluation.

40.1 The Procuring Entity will evaluate and compare the Tenders that have been determined to be substantially responsive, pursuant to ITT 35.4. The evaluation will be performed assuming either that:

a) The Contract will be awarded to the Lowest Evaluated Tender for the entire Information System; or

b) if specified **in the TDS**, Contracts will be awarded to the Tenderers for each individual Subsystem, lot, or slice if so defined in the Technical Requirements whose Tenders result in the Lowest Evaluated Tender/ Tenders for the entire System.

In the latter case, discounts that are conditional on the award of more than one Subsystem, lot, or slice may be offered in Tenders. Such discounts will be considered in the evaluation of tenders as specified **in the TDS**.

41 Comparison of Tenders

41.1 The Procuring Entity shall compare all substantially responsive Tenders in accordance with ITT 35.6 to

determine the lowest evaluated cost.

42 Abnormally Low Tenders and Abnormally High Tenders

42.1 An Abnormally Low Tender is one where the Tender price in combination with other constituent elements of the Tender appears unreasonably low to the extent that the Tender price raises material concerns as to the capability of the Tenderer to perform the Contract for the offered Tender Price or that genuine competition between Tenderers is compromised.

42.2 In the event of identification of a potentially Abnormally Low Tender, the Procuring Entity shall seek written clarifications from the Tenderer, including detailed price analyses of its Tender price in relation to the subject matter of the contract, scope, proposed methodology, schedule, allocation of risks and responsibilities and any other requirements of the tendering document.

42.3 After evaluation of the price analyses, in the event that the Procuring Entity determines that the Tenderer has failed to demonstrate its capability to perform the Contract for the offered Tender Price, the Procuring Entity shall reject the Tender.

Abnormally High Tenders

42.4 An abnormally high tender price is one where the tender price, in combination with other constituent elements of the Tender, appears unreasonably too high to the extent that the Procuring Entity is concerned that it (the Procuring Entity) may not be getting value for money or it may be paying too high a price for the contract compared with market prices or that genuine competition between Tenderers is compromised.

42.5 In case of an abnormally high price, the Procuring Entity shall make a survey of the market prices, check if the estimated cost of the contract is correct and review the Tender Documents to check if the specifications, scope of work and conditions of contract are contributory to the abnormally high tenders. The Procuring Entity may also seek written clarification from the tenderer on the reason for the high tender price. The Procuring Entity shall proceed as follows:

a. If the tender price is abnormally high based on wrong estimated cost of the contract, the Procuring Entity may accept or not accept the tender depending on the Procuring Entity's budget considerations.

b. If specifications, scope of work and/ or conditions of contract are contributory to the abnormally high tender prices, the Procuring Entity shall reject all tenders and may retender for the contract based on revised estimates, specifications, scope of work and conditions of contract, as the case may be.

42.6 If the Procuring Entity determines that the Tender Price is abnormally too high because genuine competition between tenderers is compromised (*often due to collusion, corruption or other manipulations*), the Procuring Entity shall reject all Tenders and shall institute or cause competent Government Agencies to institute an investigation on the cause of the compromise, before retendering.

43 Unbalanced or Front-Loaded Tenders

43.1 If the Tender that is evaluated as the lowest evaluated cost is, in the Procuring Entity's opinion, seriously unbalanced or front loaded the Procuring Entity may require the Tenderer to provide written clarifications. Clarifications may include detailed price analyses to demonstrate the consistency of the Tender prices with the scope of information systems, installations, proposed methodology, schedule and any other requirements of the tendering document.

43.2 After the evaluation of the information and detailed price analyses presented by the Tenderer, the Procuring Entity may: -

a) Accept the Tender; or

b) If appropriate, require that the total amount of the Performance Security be increased, at the expense of the Tenderer, to a level not exceeding twenty percent (20%) of the Contract Price; or

c) Reject the Tender.

44 Eligibility and Qualification of the Tenderer

44.1 The Procuring Entity shall determine to its satisfaction whether the Tenderer that is selected as having submitted the lowest evaluated and substantially responsive Tender is eligible and meets the qualifying criteria specified in Section III, Evaluation and Qualification Criteria.

44.2 The determination shall be based upon an examination of the documentary evidence of the Tenderer's qualifications submitted by the Tenderer, pursuant to ITT 15.

44.3 Unless otherwise specified in the **TDS,** the Procuring Entity will NOT carry out tests at the time of post-qualification, to determine that the performance or functionality of the Information System offered meets those stated in the Technical Requirements. However, if so specified in the **TDS** the Procuring Entity may carry out such tests as detailed in the **TDS**.

44.4 An affirmative determination shall be a prerequisite for award of the Contract to the Tenderer. A negative determination shall result in disqualification of the Tender, in which event the Procuring Entity shall proceed to the next lowest evaluated cost or best evaluated Tender, as the case may be, to make a similar determination of that Tenderer's qualifications to perform satisfactorily.

44.5 The capabilities of the manufacturers and subcontractors proposed by the Tenderer that is determined to have offered the Best Evaluated Tender for identified major items of supply or services will also be evaluated for acceptability in accordance with Section III, Evaluation and Qualification Criteria. Their participation should be confirmed with a Form of intent between the parties, as needed. Should a manufacturer or subcontractor be determined to be unacceptable, the Tender will not be rejected, but the Tenderer will be required to substitute an acceptable manufacturer or subcontractor without any change to the Tender price. Prior to signing the Contract, the corresponding Appendix to the Contract Agreement shall be completed, listing the approved manufacturers or subcontractors for each item concerned.

44.6 Foreign tenderers are required to source at least forty (40%) percent of their contract inputs (in supplies, subcontracts and labor) from national suppliers and contractors. To this end, a foreign tenderer shall provide in its tender documentary evidence that this requirement is met. Foreign tenderers not meeting this criterion will be automatically disqualified. Information required to enable the Procuring Entity determine if this condition is met shall be provided in for this purpose is be provided in *"SECTIONIII- EVALUATION AND QUALIFICATION CRITERIA.*

45 Procuring Entity's Right to Accept Any Tender, and to Reject Any or All Tenders

45.1 The Procuring Entity reserves the right to accept or reject any Tender, and to annul the Tendering process and reject all Tenders at any time prior to contract award, without there by incurring any liability to Tenderers. In case of annulment, all Tenders submitted and specifically, Tender securities, shall be promptly returned to the Tenderers.

F. AWARD OF CONTRACT

46 Award Criteria

46.1 Subject to ITT 40, the Procuring Entity shall award the Contract to the successful tenderer whose tender has been determined to be the Lowest/ best Evaluated Tender. The determination of the lowest/ Best Evaluated Tender will be made in accordance to one of the two options as defined in the **TDS**. The methodology options are:

The Procuring Entity shall award the Contract to the successful tenderer whose tender has been determined to be the Lowest Evaluated Tender

a) When **rated criteria are used**: The Tenderer that meets the qualification criteria and whose Tender:
   i) Is substantially responsive; and
   ii) Is the Best Evaluated Tender (i.e. the Tender with the highest combined technical/ quality/ price score); or

b) When **rated criteria are not used**: The Tenderer that meets the qualification criteria and whose Tender has been determined to be:
   i) Most responsive to the tendering document; and
   ii) The lowest evaluated cost.

47 Procuring Entity's Right to Vary Quantities at Time of Award

47.1 The Procuring Entity reserves the right at the time of Contract award to increase or decrease, by the percentage (s) for items as indicated **in the TDS.**

48 Notice of Intention to enter into a Contract/ Notification of award

48.1 Upon award of the contract and Prior to the expiry of the Tender Validity Period the Procuring Entity shall issue a Notification of Intention to Enter into a Contract/ Notification of award to all tenderers which shall contain, at a minimum, the following information:

a) The name and address of the Tenderer submitting the successful tender;
b) The Contract price of the successful tender;
c) a statement of the reason(s) the tender of the unsuccessful tenderer to whom the letter is addressed was unsuccessful, unless the price information in (c) above already reveals the reason;
d) the expiry date of the Standstill Period; and
e) instructions on how to request a debriefing and/ or submit a complaint during the standstill period;

49 Standstill Period

49.1 The Contract shall not be signed earlier than the expiry of a Standstill Period of 14 days to allow any dissatisfied tender to launch a complaint. Where only one Tender is submitted, the Standstill Period shall not apply.

49.2 Where a Standstill Period applies, it shall commence when the Procuring Entity has transmitted to each Tenderer the Notification of Intention to Enter in to a Contract with the successful Tenderer.

50 Debriefing by the Procuring Entity

50.1 On receipt of the Procuring Entity's Notification of Intention to Enter into a Contract referred to in ITT 43, an unsuccessful tenderer may make a written request to the Procuring Entity for a debriefing on specific issues or concerns regarding their tender. The Procuring Entity shall provide the debriefing within five days of receipt of the request.

50.2 Debriefings of unsuccessful Tenderers may be done in writing or verbally. The Tenderer shall bear its own costs of attending such a debriefing meeting.

51 Letter of Award

51.1 Prior to the expiry of the Tender Validity Period and upon expiry of the Standstill Period specified in ITT44.1, upon addressing a complaint that has been filed within the Standstill Period, the Procuring Entity shall transmit the Letter of Award to the successful Tenderer. The letter of award shall request the successful tenderer to furnish the Performance Security within 21days of the date of the letter.

52 Signing of Contract

52.1 Upon the expiry of the fourteen days of the Notification of Intention to enter in to contract and upon the parties meeting their respective statutory requirements, the Procuring Entity shall send the successful Tenderer the Contract Agreement.

52.2 Within fourteen (14) days of receipt of the Contract Agreement, the successful Tenderer shall sign, date, and return it to the Procuring Entity.

52.3 The written contract shall be entered into within the period specified in the notification of award and before expiry of the tender validity period.

52.4 Notwithstanding ITT 47.2 above, in case signing of the Contract Agreement is prevented by any export restrictions attributable to the Procuring Entity, to Kenya, or to the use of the Information System to be supplied, where such export restrictions arise from trade regulations from a country supplying those Information System, the Tenderer shall not be bound by its Tender, provided that the Tenderer can demonstrate that signing of the Contract Agreement has not been prevented by any lack of diligence on the part of the Tenderer in completing any formalities, including applying for permits, authorizations and licenses necessary for the export of the Information System under the terms of the Contract.

53 Performance Security

53.1 Within twenty-one (21) days of the receipt of the Form of Acceptance from the Procuring Entity, the successful Tenderer shall furnish the performance security in accordance with the General Conditions, subject to ITT38.2 (b), using for that purpose the Performance Security Form included in Section X, Contract

Forms, or another form acceptable to the Procuring Entity. If the Performance Security furnished by the successful Tenderer is in the form of a bond, it shall be issued by a bonding or insurance company that has been determined by the successful Tenderer to be acceptable to the Procuring Entity. A foreign institution providing a Performance Security shall have a correspondent financial institution located in Kenya.

53.2 Failure of the successful Tenderer to submit the above-mentioned Performance Security or sign the Contract shall constitute sufficient grounds for the annulment of the award and forfeiture of the Tender Security. In that event the Procuring Entity may award the Contract to the Tenderer offering the next Best Evaluated Tender.

49 Publication of Procurement Contract

Within fourteen days after signing the contract, the Procuring Entity shall publish the awarded contract at its notice boards and websites; and on the Website of the Authority. At the minimum, the notice shall contain the following information:

a) Name and address of the Procuring Entity;
b) Name and reference number of the contract being awarded, a summary of its scope and the selection method used;
c) The name of the successful Tenderer, the final total contract price, the contract duration.
d) Dates of signature, commencement and completion of contract;
e) Names of all Tenderers that submitted Tenders, and their Tender prices as read out at Tender opening.

50. Adjudicator

50.1 Unless **the TDS** states otherwise, the Procuring Entity proposes that the person named **in the TDS** be appointed as Adjudicator under the Contract to assume the role of informal Contract dispute mediator, as described in GCC Clause 43.1. In this case, a résumé of the named person is attached to the TDS. The proposed hourly fee for the Adjudicator is specified in the TDS. The expenses that would be considered reimbursable to the Adjudicator are also specified **in the TDS**. If a Tenderer does not accept the Adjudicator proposed by the Procuring Entity, it should state its non-acceptance in its Tender Form and make a counter proposal of an Adjudicator and an hourly fee, attaching résumé of the alternative. If the successful Tenderer and the Adjudicator nominated **in the TDS** happen to be from the same country, and this is not Kenya too, the Procuring Entity reserves the right to cancel the Adjudicator nominated **in the TDS** and propose a new one. If by the day the Contract is signed, the Procuring Entity and the successful Tenderer have not agreed on the appointment of the Adjudicator, the Adjudicator shall be appointed, at the request of either party, by the Appointing Authority specified in the SCC clause relating to GCC Clause 43.1.4, or if no Appointing Authority is specified there, the Contract will be implemented without an Adjudicator.

51. Procurement Related Complaints and Administrative Review

51.1The procedures for making a Procurement-related Complaint are as specified in the **TDS.**

51.2A request for administrative review shall be made in the form provided under contract forms.

SECTION II - TENDER DATA SHEET (TDS)

The following specific data for the Information System to be procured shall complement, supplement, or amend the provisions in the Instructions to Tenderers (ITT). Whenever there is a conflict, the provisions here in shall prevail over those in ITT.

Reference to ITC Clause	PARTICULARS OF APPENDIX TO INSTRUCTIONS TO TENDERS
	A. General
ITT 1.1	The reference number of the Request for Tenders is: ***CGK/FIN/OP/2023-2024/005*** Negptiation Number is: ***1352785*** The Procuring Entity is: ***County Government of Kisumu, Department of Finance, Economic Planning & ICT Services*** The name of the ITT is: ***Supply, Delivery, Design, Development, Installation, Deployment, Testing, Commissioning and Maintenance of a Fully Automated and Integrated County Revenue Management System*** The number and identification of lots (contracts) comprising this ITT is: ***1***
ITT 2.3 (a)	**Electronic – Procurement System** The Procuring Entity shall use the following electronic-procurement system to manage this procurement process: ***IFMIS Portal*** ***www.supplier.treasury.go.ke*** The electronic-procurement system shall be used to manage the following aspects of the Procurement process: *issuing ITT, submissions of Tenders, opening of Tenders, evaluation of Tenders*]'
ITT 3.3	The firms that provided consulting services for the contract being tendered for are _____***N/A***_____ _____.
ITT 4.1	Maximum number of members in the JV shall be: ***[N/A]*** _____
ITT 4.9	The Procuring Entity may require tenderers to be registered with _***Please refer to Section III***
	B. Tendering Document
ITT 8.1	For **Clarification of Tender purposes** only, the Procuring Entity's address is: **Office of Director Supply Chain Management** **County Government of Kisumu** **P.O Box 2738-40100 Kisumu** **Prosperity House 2nd Floor Wing C** **Email:** procurement.cgk@kisumu.go.ke Requests for clarification should be received by the Procuring Entity no later than: ***Three (3) days to the tender opening date***
ITT 8.2	Web page: ***www.kisumu.go.ke***
ITT 8.4	A Pre-Tender meeting ***"shall not"]*** take place A site visit conducted by the Procuring Entity ***shall not be*** organized.
ITT 9.1	The Procuring Entity shall publish its response at the website www.kisumu.go.ke
	C. Preparation of Tenders
ITT 13.1 (k)	The Tenderer shall submit with its Tender the following additional documents:

Reference to ITC Clause	PARTICULARS OF APPENDIX TO INSTRUCTIONS TO TENDERS
	Please refer to Section III
ITT 15.1	Alternative Tenders are not permitted.
ITT 15.2	Alternatives to the Time Schedule ***not*** permitted.
ITT 15.4	Alternative technical solutions shall be permitted for the following parts of the Information System: _____as further detailed in the Specification. If alternative technical solutions are permitted, the evaluation method will be as specified in Section III, Evaluation and Qualification Criteria.
ITT 17.2	Prequalification ***has not*** been undertaken.
ITT 18.2 (a)	In addition to the topics described in ITT Clause 16.2 (a), the Preliminary Project Plan must address the following topics: ***Please refer to Part 2 [Procuring Entity's Requirements]***
ITT 18.3	In the interest of effective integration, cost-effective technical support, and reduced re-training and staffing costs, Tenderers are required to offer specific brand names and models for the following limited number of specific items: ***None***
ITT 19.2	The Tenderer *"must"* tender Recurrent Cost Item
ITT 19.2 (a)	The Tenderer *"must"* tender for contracts of Recurrent Cost Items not included in the main Contract.
ITT 19.5	The Incoterms edition is: ***[Internationally recognized Incoterms].***
ITT 19.5 (a)	Named place of destination is: ***Kisumu County***
ITT 19.6	Named place of final destination (or Project site) is: ***Kisumu County***
ITT 19.8	ITT 17.8 is modified as follows: ***'There is no modification to ITT 17.8'***
ITT 19.9	The prices quoted by the Tenderer ***"shall not" be*** subject to adjustment during the performance of the Contract. The Tender price shall be adjusted by the following factor(s): ***N/A***
ITT 20.1	The Tenderer ***is*** required to quote in the currency of Kenya the portion of the Tender price that corresponds to expenditures incurred in that currency.
ITT 21.1	The Tender validity period shall be ***119days***.
ITT 22.1	A *Tender Security* ***"shall be"*** required. A Tender-Securing Declaration ***"shall not be"*** required. The amount and currency of the Tender Security shall be ***Kshs.500,000 (Kenya Shillings Five Hundred Thousand Only)***
ITT 22.3 (v)	Other types of acceptable securities are; ***a bank guarantee from a reputable bank listed by the Central Bank of Kenya; a guarantee by an insurance company registered and licensed by the Insurance Regulatory Authority and listed by the Public Procurement Regulatory Authority***
ITT 23.1	In addition to the original of the Tender, the number of copies is: ***one original tender***
ITT 23.3	The written confirmation of authorization to sign on behalf of the Tenderer shall consist of: ***Power of Attorney/Authorization Letter, Giving the Name of Person who should be signing the bid, authorizing him to submit/execute this agreement as a Binding Document***
D. Submission and Opening of Tenders	
ITT 25.1	For **Tender submission purposes** only, the Procuring Entity's address is: **Office of Director Supply Chain Management** **County Government of Kisumu**

Reference to ITC Clause	PARTICULARS OF APPENDIX TO INSTRUCTIONS TO TENDERS
	P.O Box 2738-40100 Kisumu **Prosperity House 2nd Floor Wing C** **Email:** procurement.cgk@kisumu.go.ke **The deadline for Tender submission is:** Date: ***31st August 2023 at 11:00 Am***
ITT 25.1	Tenderers must submit their Tenders both manually and electronically through IFMIS System. The Electronic Tendering submission procedures shall be:***through IFMIS portal www.supplier.treasury.go.ke Negotiation Number 1352785***
ITT 28.1	The Tender opening shall take place at: **Office of Director Supply Chain Management** **County Government of Kisumu** **P.O Box 2738-40100 Kisumu** **Prosperity House 2nd Floor Wing C** **Email:** procurement.cgk@kisumu.go.ke Date and Time: 31st *August 2023 at 11:00AM*
ITT 28.1	The electronic Tender opening procedures shall be: ***Through IFMIS system*** **www.supplier.treasury.go.ke** ***Negotiation Number: 1352785***
ITT 28.6	The Form of Tender and Price Schedules shall be initialed by ***3 (three)*** representatives of the Procuring Entity conducting Tender opening.
E. Evaluation, and Comparison of Tenders	
ITT 33.3	The adjustment shall be based on the ***"highest"*** price of the item or component as quoted in other substantially responsive Tenders. If the price of the item or component cannot be derived from the price of other substantially responsive Tenders, the Procuring Entity shall use its best estimate. If the missing Goods and Services are a scored technical feature, the relevant score will be set at zero.
ITT 35.1	The currency(ies) of the Tender shall be converted into a single currency as follows: ***Kenya Shillings*** The currency that shall be used for Tender evaluation and comparison purposes to convert all Tender prices expressed in various currencies into a single currency is: ***Kenya Shillings*** The source of exchange rate shall be: ***The Central Bank in Kenya).]*** The date for the exchange rate shall be: ***date of tender opening***
ITT 36.2	Margin of Preference **shall not apply.**
ITT 36.4	The invitation to tender is extended to the following group that qualify for Reservations ***Open to all***
ITT 40.2 (b)	Tenderers shall *not be allowed* to quote separate prices for different lots (contracts for Subsystems, lots, or slices of the overall Information System) and the methodology to determine the lowest tenderer is specified in Section III, Evaluation and Qualification Criteria. Discount that are conditional on the award of more than one Subsystem, lot, or slice may be offered in Tenders and such discounts ***shall not]*** be considered in the price evaluation.

Reference to ITC Clause	PARTICULARS OF APPENDIX TO INSTRUCTIONS TO TENDERS
ITT 44.3	As additional qualification measures, the Information System (or components/parts of it) offered by the Tenderer with the Best Evaluated Tender may be subjected to the following tests and performance benchmarks prior to Contract award: ***A de-brief meeting with organizations where the Tenderer is offering/has offered similar services in the last three years. The exercise will involve verification of the bidder's qualification information submitted in compliance with the mandatory requirements, technical requirements, to confirm the bidder's ability and capability to provide the services.***
ITT 46.1	The award will be made on the basis of ***"rated" criteria*** pursuant to ITT 35.7, if applicable, in accordance with Section III, Evaluation and Qualification Criteria.
ITT 47.1	The maximum percentage by which quantities may be increased is: ***N/A*** The maximum percentage by which quantities may be decreased is: ***N/A*** The items for which the Procuring Entity may increase of decrease the quantities are the following. ***N/A***
ITT 50.1	The proposed Adjudicator is: "***There will be no Adjudicator under this Contract."]*** The proposed hourly fee is ***[N/A].***
ITT 51.1	The procedures for making a Procurement-related Complaint are detailed in the "Notice of Intention to Award the Contract" herein and are also available from the PPRA website info@ppra.go.ke or complaints@ppra.go.ke. If a Tenderer wishes to make a Procurement-related Complaint, the Tenderer should submit its complaint following these procedures, in writing (by the quickest means available, that is either by email or fax), to: **For the attention**: *[Office of The Director Supply Chain Management]* **Title/position**: *[Director Supply Chain Management]* **Procuring Entity**: *[County Government of Kisumu]* **Email address**: *[procurement.cgk@kisumu.go.ke]* In summary, a Procurement-related Complaint may challenge any of the following: 1. the terms of the Tendering Documents; and 2. the Procuring Entity's decision to award the contract.

SECTION III - EVALUATION AND QUALIFICATION CRITERIA

1. General Provision

1.1 Wherever a Tenderer is required to state a monetary amount, Tenderers should indicate the Kenya Shilling equivalent using the rate of exchange determined as follows:

a) For construction turnover or financial data required for each year- Exchange rate prevailing on the last day of the respective calendar year (in which the amounts for that year are to be converted) was originally established.

b) Value of single contract- Exchange rate prevailing on the date of the contract signature.

c) Exchange rates shall be taken from the publicly available source identified in the ITT. Any error in determining the exchange rates in the Tender may be corrected by the Procuring Entity.

1.2 This Section contains all the criteria that the Procuring Entity shall use to evaluate Tenders and qualify Tenderers. No other factors, methods or criteria shall be used. The Tenderer shall provide all the information requested in the forms included in Section IV, Tendering Forms. The Procuring Entity should use **the Standard Tender Evaluation Report for Goods and Works** for evaluating Tenders.

2 Evaluation and contract award Criteria

The Procuring Entity shall use the criteria and methodologies listed in this Section to evaluate tenders and arrive at the Lowest Evaluated Tender. The tender that (i) meets the qualification criteria, (ii) has been determined to be substantially responsive to the Tender Documents, and (iii) is determined to have the Lowest Evaluated Tender price shall be selected for award of contract.

The Evaluation will be carried out through Six Stages as follows:

Stage 1: Preliminary Mandatory Requirements
Stage 2: Technical and Functional Requirements Criteria
Stage 3: Bidder Demos & Presentation
Stage 4: Financial Evaluation
Stage 5: Recommendation
Stage 6: Due Diligence – Bidder's Interview

STAGE	MATRIX	CRITERIA
Stage 1	Preliminary Mandatory Requirements	Fully compliant
Stage 2	Technical and Functional Requirements Criteria	Total Score of 100%. The Bidder must attain a minimum of 75% to proceed to the next Stage
Stage 3	Bidder Demos & Presentation	Total Score of 100%. The Bidder must attain a minimum of 75% to proceed to the next Stage
Stage 4	Financial Evaluation	Inclusion of all items and costs of proposed solution
Stage 5	Recommendations	Recommendation of award.
Stage 6	Due Diligence: Bidder's Interview /Presentation of Proposed Solution	The recommended bidder will be subjected to Due diligence

STAGE 1: PRELIMINARY MANDATORY REQUIREMENTS

The mandatory preliminary requirements will be on a yes/no basis, and the Procuring Entity will start by examining all tenders to ensure they meet in all respects the eligibility criteria and other mandatory requirements in the ITT, and that the tender is complete in all aspects in meeting the requirements provided for in the preliminary evaluation criteria outlined below. The Standard Tender Evaluation Report Document for Goods and Works for evaluating Tenders provides very clear guide on how to deal with review of these requirements. Tenders that do not pass the Preliminary Examination/Requirements will be considered non-responsive and will not be considered further.

NO.	REQUIREMENT	Responsive – R/ Not Responsive – NR
1	Detailed Company Profile.	
2	Certified copy of Registration/Incorporation Certificate	
3	Certified Copy of Certificate of Confirmation of directors and shareholding (CR12) Issued within the last six months	
4	Valid KRA Pin Certificate	
5	Certified KRA Tax Compliance Certificate	
6	Current Trade License	
7	Current Data Commissioner Registration Certificate.	
8	Data privacy License	
9	Communications Authority of Kenya (CA), Valid Application Service Provider License (ASP) and Content Service Provider License (CSP).	
10	Certified ICTA Registration Certificate	
11	Certified Central Bank of Kenya Payment Services Provider License.	
12	Bid Security as Ksh500,000.00	
13	MUST have an end-to-end Health approval permit workflow	
14	Duly Filled, Signed and Stamped Self-Declaration Form That the Tenderer Is Not Debarred	
15	Dully Filled, Signed and Stamped Self Declaration Form That the Tenderer Will Not Engage in Any Corrupt or Fraudulent Practice	
16	Power Of Attorney/Authorization Letter, Giving the Name of Person Who Should Be Signing the Bid, Authorizing Him to Submit/Execute This Agreement as A Binding Document	
17	Must have an Original Manufacturer's Authorization Form (MAF) from the OEM of the proposed solution. (Applies where the tenderer is not the original manufacturer)	
18	Must submit written warranty of software to be supplied	
19	Document must be bound paginated and serialized	

Bidders who meet all the mandatory preliminary requirements above will proceed to the next stage of Evaluation on compliance with the Technical Requirements.

STAGE 2: TECHNICAL AND FUNCTIONAL REQUIREMENTS CRITERIA

NO.	Stage 2	Marks	Remarks
	Technical Compliance		
1	Past Performance (Provide company/organization, contracts/award letters, LPO's, Project details, completion certificates/reference letters)	**5**	
	Number of Revenue Management Systems the vendor has implemented in the market 3 systems and above: award **(2 marks)** Others prorated at: Number of years x 10/3		Attach Evidence
	Years in Experience that the vendor has deployed Revenue Management Systems 3 Years and above: **(1 marks)** Others prorated at: Number of years x 10/3		Attach Evidence
	Number of active Counties/Government entities where solution has been implemented (Above 2 counties) 2 or more Counties: **(2 Marks)** Others prorated at: Number of clients x 10/2		Attach reference Letters/Recommendation and evidence
2	Proposed methodology & Work plan in responding to the Terms of Reference	**40**	Attach Detailed Plan
	A detailed description of the approach you will use for implementing the proposed system. Clearly demonstrate how your proposed solution shall meet the desired outcomes as detailed in the TOR document. The description should contain the following key components: a) Proposed work plan in line with the proposed methodology outlining the key activities, outputs, and their duration (16 marks) b) System acquisition and installation • Software delivery (10 marks) c) Proposed training/UAT plan (5 marks) d) Pilot/Go-live (2 marks) c) Proposed test plan (3 marks) d) Data Migration plan (2 marks) e) Proposed service level agreement or support plan (2marks)		
3	Proposed Team Structure	**5**	Attach Structure
	a) Team organization structure for delivering assignment. (2.5 marks) b) Post Go-Live support structure. (2.5 marks)		
4	Proof of cadastral GIS mapping and integration into Revenue System	**10**	Attach evidence
5	Provide payment channels that support users with feature phones and smartphones including whats app as a payment Channel	**10**	Attach evidence
6	Qualifications and Competence of the key Staff for the assignment Bidder must provide copies of certifications and CVs for the proposed human resources and the CV must clearly demonstrate required experience	**20**	Attach CVs
	Project Manager/ Team Leader - (one) • Bachelor's Degree in Computer Science, Engineering, Business Administration, IT or related. Should have a minimum of 8 years' experience in IT systems and Project Management. • Professional experience in developing and implementing and		

	managing scalable systems with competencies in integrated systems and information security management and IT in general. Give a minimum of two project. • PRINCE2 Practitioner/PMI or other equivalent project management certification • Proposed system SOLUTION certification (3marks)		
	Functional Consultant/Trainer - (two) (2 marks) • B. Sc in computer science/IT or relevant field • (3+ Years) experience in systems implementation and training. • Certification in the proposed system		
	Software Engineer/Developer - (one) • B.Sc/ in Computer Science, Engineering or related degree • Certification in programming languages C, C++,C#,VB.Net,ASP Net • (3 Years) experience and knowledge of Developer tools C, C++,C#,VB.Net ASP Net (2 marks)		
	Database Developer/Administrator - (one) • BSc or Diploma in computer science/IT or relevant field • Certification in database administration • (3 Years) experience in system development/ or in relevant field. Give reference of three similar projects (3marks)		
	System integration expert - (one) • BSc or Diploma in computer science/IT or integration expert relevant field • Have relevant certifications in system development. • (3 Years) experience in system development and integration/ or in relevant field. Give reference of three similar projects (3 marks)		
	Web-based System Developer - (one) • Software development certification • UX Design certification • (3 Years) experience in online/web-based system development or in relevant field. (3marks)		
	Infrastructure Engineer - (one) • B.SC/ in Computer Science, Engineering or related degree • Certification in Hardware systems • Certification in Cloud backup solutions • (3 Years) experience in implementation and support of relevant field. (2 marks)		
	Security Expert - (one) • B.SC/ in Computer Science, Engineering, or related degree • Have CISA or relevant certifications in systems security. • 4+ years of experience in ICT security field and should have experiences in ICT systems security and design, development, implementation of security solutions. Provide at least 1 recommendation letter from previous employer/projects touching on infrastructure and network security. (2 marks)		
7	Certified Copies of Audited Financial Accounts for Immediate past 3 Years.(2020,2021 and 2022) Certified by Licensed Auditor (Indicate Auditor No)	**4**	
8	Liquidity:-The Bidder shall demonstrate that they have access to or have available liquid assets, Lines of credit or other financial means sufficient to implement the project.	**3**	
9	The Firm must demonstrate partnership with relevant CBK	**3**	

	registered Financial Institutions with presence of branches in Kisumu County and existing agency network across all the Sub counties.		
TOTAL		**100**	

The Bidders who obtain a score of Seventy Five Percent (75%) and above in the Technical and functional requirements criteria to Deliver will proceed to the next stage (Demonstration and Presentation)

STAGE 3: DEMONSTRATION AND PRESENTATION

The bidders complying with all the above Stages 1 and 2 will be invited to make a presentation and demo of their proposed system. The exercise will involve a demonstration of the bidder's information submitted in compliance with the Technical Requirements (Compliance with Technical Specifications) as per the detailed technical specifications in Section VI of this document and the addition Evaluation Criteria under C11 shown in the table below, to confirm the bidder's ability and capability to provide the services. The score during the demo shall be awarded using the following criteria:

NO	TECHNICAL ITEM	ASSIGNED WEIGHT (%)	VENDORS SCORE
1	Management oversight dashboard and Executive dashboard (web and mobile capability)	**5**	
2	Defined proper policies, processes and structures for enhanced revenue collection	**7**	
3	The solutions should be practical and easy to use for citizens and County staff involved in collection, verification and enforcement based on the unique characteristics of each revenue streams.	**4**	
4	A fully automated, Online and Real time Transactions with real-time synchronization of transaction data.	**5**	
5	Administration and Support for multiple revenue streams	**15**	
6	Provision of cashless payment channels (e-payments options)	**4**	
7	Enforcement Application features	**5**	
8	Provision of e-parking	**2**	
9	Ability to generate template based certificates and permits automatically on the portal	**2**	
10	Interface/integration with CGK existing systems and ability to export/import data to/from other systems	**5**	
11	Integration to 3rd Party System platforms e.g., NTSA, IPRS, BRS, E-Citizen	**5**	
12	Real Time settlement and automatic reconciliation of bank and mobile money transaction	**1**	
13	Real-time monitoring, controlling and management of POS devices and users. The system should enable viewing of device logs, control of device status and viewing of	**3**	

	device geolocation.		
14	Chart of Accounts and cost centers	**2**	
15	Controls and Audit trails	**2**	
16	Ability to verify transactions and payments using secure unique identifies, including barcodes readers /scanners.	**2**	
1 7	Performance monitoring revenue collectors, inspectors, enforcers performance and collection by management at headquarters	**2**	
18	IT System security, cyber risk management and backup. Provide hosting services for both production and back-up environments if the county will not implement hosting on its own data center.	**3**	
19	Cloud platform hosting	**2**	
20	Thermal printer integration	**1**	
21	Be accessible via different platforms such as Web, USSD, Android, Windows, iOS, and other platforms	**3**	
22	SaaS and annual maintenance	**2**	
23	Support for Email and SMS notifications, including bulk SMS, for customer notifications and follow up	**1**	
24	GIS Data Integration capability and Provision for enforcement via GIS map for all structured revenue sources	**5**	
25	Capability for automatic billing for recurring bills such as rent, monthly sticker, penalties.	**2**	
26	Big data processing	**2**	
27	Ability to build client database with unique identifiers per revenue stream	**2**	
28	Work in both offline and online modes of payments to address network problems	**2**	
29	Online chart platform	**2**	
30	Ability to embed Business Intelligence Tool (BIT) in the system.	**2**	
	TOTAL	**100**	

Bidders who obtain a weighted score of seventy (75%) and above in the Demos and Presentations will proceed to the next stage of Evaluation (Financial Evaluation).

STAGE 4: FINANCIAL REQUIREMENTS

At this stage, the bids that will score seventy five percent (75%) and above during stage 3 will be subjected to financial evaluation.

Financial Evaluation involves checking for completeness of the Bidders' schedule of pricing to ensure all the Bills of Materials of the proposed solution (that includes implementation, licenses and all requirements as provided under the technical specifications), Support and Services have been priced, and quotations are devoid of arithmetic error.

Bidders whose price schedules are not complete i.e., where the bidder fails to price for all materials, technical requirements, the vulnerability management solution (a complete solution that meets the needs of the Bank) and services,

are disqualified from further evaluation.
In providing the response for the commercials/pricing:
The bidder must consider and include provisions for post-production support and warranty period of at least one (1) year after deployment of the solution.
Thereafter, the bidder must also provide a comprehensive maintenance and support plan for the deployed solution for as long as the system is use.
These post go-live maintenance and support plans must be in accordance with the bidder's response on the roles and responsibilities as outlined in the technical specifications schedule.

STAGE 5: RECOMMENDATION OF AWARD

At this stage, the bidder with highest combined technical score using QCBS will be will be recommended for award.

STAGE 6: DUE DILIGENCE – BIDDER'S INTERVIEW

The bidder with highest combined technical score from **Stage 5** will be subjected to due diligence.
The exercise will involve verification of the bidder's qualification information submitted in compliance with the mandatory requirements, technical requirements, to confirm the bidder's ability and capability to provide the services.
The County Government of Kisumu team may also visit (or arrange a de-brief meeting with) organizations where the bidder is offering/has offered similar services.
The bidder will be required to secure appointments with the respective organizations on behalf of The County Government of Kisumu team.
The feed-back from the firms/clients visited on the quality of the services provided by the respective bidder will be used to assess the bidder's ability to execute the County's prospective contract.

3 Tender Evaluation (ITT 35.5)

Price evaluation: in addition to the criteria listed in ITT 35.5 (a)–(e) the following criteria shall apply:

i) **Time Schedule**: time to complete the Information System from the effective date specified in Article 3 of the Contract Agreement for determining time for completion of pre-commissioning activities is: No credit will be given for earlier completion. Tenders offering a completion date beyond the maximum designated period shall be rejected.

ii) **Alternative Technical Solutions for specified parts of the Works, if permitted** under ITT 13.4, will be evaluated as follows: ***N/A***

iii) **Other specific additional criteria- i**f permitted under ITT 36.5 (f) **t**he relevant evaluation method, if any, shall be as follows: ***N/A***

iv) **Recurrent Costs** - since the operation and maintenance of the system being procured form a major part of the implementation, the resulting recurrent costs will be evaluated according to the principles given here after, including the cost of recurrent cost items for the initial period of operation stated below, based on prices furnished by each Tenderer in Price Schedule Nos. 3.3 and 3.5. The recurrent cost factors for calculation of the implementation schedule are:

i) *Number of years for implementation*
ii) *Hardware maintenance*
iii) *Software licenses and updates*
iv) *Technical services*
v) *Telecommunication services, and*
vi) *Other services (if any).*

v) **Recurrent cost items for post- warranty service period** if subject to evaluation shall be included in the main contractor a separate contract signed together with the main contract. Such costs shall be

added to the Tender price for evaluation.

4 Alternative Tenders (ITT13.1)

An alternative if permitted under ITT 13.1, will be evaluated as follows:

The Procuring Entity shall consider Tenders offered for alternatives as specified in Part 2- Procuring Entity's requirements. Only the technical alternatives, if any, of the Tenderer with the Best Evaluated Tender conforming to the basic technical requirements shall be considered by the Procuring Entity.

5 Apply Margin of Preference

5.1 If the TDS so specifies, the Procuring Entity will grant a margin of preference of fifteen percent (15%) to be loaded on evaluated prices of the foreign tenderers, where the percentage of shareholding of Kenyan citizens is less than fifty-one percent (51%).

5.2 Contractors for such preference shall be asked to provide, as part of the data for qualification, such information, including details of ownership, as shall be required to determine whether, according to the classification established by the Procuring Entity, a particular contractor or group of contractors qualifies for a margin of preference.

5.3 After Tenders have been received and reviewed by the Procuring Entity, responsive Tenders shall be assessed to ascertain their percentage of shareholding of Kenyan citizens. Responsive tenders shall be classified into the following groups:

i) Group A: tenders offered by Kenyan Contractors and other Tenderers where Kenyan citizens hold shares of over fifty one percent (51%).

ii) Group B: tenders offered by foreign Contractors and other Tenderers where Kenyan citizens hold shares of less than fifty one percent (51%).

5.4 All evaluated tenders in each group shall, as a first evaluation step, be compared to determine the lowest tender, and the lowest evaluated tender in each group shall be further compared with each other. If, as a result of this comparison, at tender from Group A is the lowest, it shall be selected for the award. If a tender from Group B is the lowest, an amount equal to the percentage indicated in Item 3.1 of the respective tender price, including unconditional discounts and excluding provisional sums and the cost of day works, if any, shall be added to the evaluated price offered in each tender from Group B. All tenders shall then be compared using new prices with added prices to Group Band the lowest evaluated tender from Group A. If the tender from Group A is still the lowest tender, it shall be selected for award. If not, the lowest evaluated tender from Group B based on the first evaluation price shall be selected.

6 Post qualification and Contract ward (ITT 39), more specifically,

a) In case the tender was subject to post-qualification, the contract shall be awarded to the lowest evaluated tenderer, subject to confirmation of pre-qualification data, if so required.

b) In case the tender was not subject to post-qualification, the tender that has been determined to be the lowest evaluated tenderer shall be considered for contract award, subject to meeting each of the following conditions.

i) The Tenderer shall demonstrate that it has access to, or has available, liquid assets, unencumbered real assets, lines of credit, and other financial means (independent of any contractual advance payment) sufficient to meet the construction cash flow of Kenya Shillings

ii) Minimum average annual construction turnover of Kenya Shillings_____*[insert amount]*, equivalent calculated as total certified payments received for contracts in progress and/ or completed within the last_____*[insert of year]* years.

iii) At least (*3)* of contract(s) of a similar nature executed within Kenya, or the East African Community or abroad, that have been satisfactorily and substantially completed as a prime contractor, or joint venture member or sub-contractor each of minimum value Kenya shillings *10,000,000 or* equivalent.

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iv) Contractor's Representative and Key Personnel, which are specified as *key organizational structure*

v) Contractors' key equipment listed on the table "Contractor's Equipment" below and more specifically listed as

Other conditions depending on their seriousness.

a) **History of non-performing contracts**:

Tenderer and each member of JV in case the Tenderer is a JV, shall demonstrate that Non-performance of a contract did not occur because of the default of the Tenderer, or the member of a JV in the last
5years. The required information shall be furnished in the appropriate form.

b) Pending Litigation

Financial position and prospective long-term profitability of the Single Tenderer, and in the case the Tenderer is a JV, of each member of the JV, shall remain sound according to criteria established with respect to Financial Capability under Paragraph (i) above if all pending litigation will be resolved against the Tenderer. Tenderer shall provide information on pending litigations in the appropriate form.

c) Litigation History

There shall be no consistent history of court/arbitral award decisions against the Tenderer, in the last *5years.* All parties to the contract shall furnish the information in the appropriate form about any litigation or arbitration resulting from contracts completed or on going under its execution over the years specified. A consistent history of awards against the Tenderer or any member of a JV may result in rejection of the tender.

7 QUALIFICATION FORM

Item No.	*Qualification Subject*	*Qualification Requirement to be met*	*Document To be Completed by Tenderer*	*For Procuring Entity's Use (Qualification met or Not Met)*
1	2.1.1 Nationality	Nationality in accordance with ITT 4.5.	Form ELI –2.1.1 and 2.1.2, with attachments	
2	Tax Obligations for Kenyan Tenderers	Has produced a current tax clearance certificate or tax exemption certificate issued by the Kenya Revenue Authority in accordance with ITT 3.14.	Form of Tender	
3	2.1.2 Conflict of Interest	No- conflicts of interests as described in ITT 4.3.	Form of Tender	
4	2.1.3 Country Ineligibility	Not having been declared ineligible by the PPRA as described in ITT 4.6.	Form of Tender	
5	2.1.4 State owned Entity of the Procuring Entity country	Compliance with conditions of ITT 4.7	Form ELI –2.1.1 and 2.1.2, with attachments	
6	2.1.5 United Nations resolution or Kenya law	Not having been excluded as a result of prohibition in Kenya laws or official regulations against commercial relations with the Tenderer's country, or by an act of compliance with UN Security Council resolution, both in accordance with ITT 4.8	Form of Tender	
7	History of non-performing contracts	Non-performance of a contract[1] did not occur as a result of Tenderer's default since 1st January *[2021]*.	Form CON - 2	
8	Suspension	Not under suspension based on execution of a Tender Securing Declaration or Tender Securing Declaration pursuant to ITT 4.8 and ITT 20.10	Form of Tender	
9	Pending Litigation	Tenderer's financial position and prospective long-term profitability still sound according to criteria established in 2.3.1 below and assuming that all pending litigation will be resolved against the Tenderer.	Form CON – 2	
10	2.3.1 Historical Financial Performance	Submission of audited balance sheets or if not required by the law of the Tenderer's country, other financial statements acceptable to the Procuring Entity, for the last ____ [3] years to demonstrate the current soundness of the Tenderers financial position and its prospective long-term profitability.	Form FIN – 2.3.1 with attachments	
11	2.3.2 Average Annual Turnover	Minimum average annual turnover of 40Million Kenya Shillings equivalent, calculated as total certified payments received for	Form FIN –2.3.2	

[1] Nonperformance, as decided by the Procuring Entity, shall include all contracts where (a) nonperformance was not challenged by the contractor, including through referral to the dispute resolution mechanism under the respective contract, and (b) contracts that were so challenged but fully settled against the contractor. Nonperformance shall not include contracts where Procuring Entity decision was overruled by the dispute resolution mechanism. Nonperformance must be based on all information on fully settled disputes or litigation, i.e. dispute or litigation that has been resolved in accordance with the dispute resolution mechanism under the respective contract and where all appeal instances available to the applicant have been exhausted.

Item No.	*Qualification Subject*	*Qualification Requirement to be met*	*Document To be Completed by Tenderer*	*For Procuring Entity's Use (Qualification met or Not Met)*
		contracts in progress or completed, within the last (5) years		
12	2.3.3 Financial Resources	The Tenderer must demonstrate access to, or availability of, financial resources such as liquid assets, unencumbered real assets, lines of credit, and other financial means, other than any contractual advance payments to meet the following cash-flow requirement: Minimum of *30Million_* Kenya Shillings equivalent.	Form FIN –2.3.3	
13	2.4.1 General Experience	Experience under Information System contracts in the role of prime supplier, management contractor, JV member, or subcontractor for at least the last 3 years prior to the applications submission deadline.	Form EXP-2.4.1	
	2.4.2 Specific Experience	Participation as a prime supplier, management contractor, JV[2] member, sub-contractor, in at least (3) contracts within the last (3) years, each with a value of at least _____ (___), that have been successfully and substantially completed and that are similar to the proposed Information System.	Form EXP 2.4.2	

[2] For contracts under which the Tenderer participated as a joint venture member or sub-contractor, only the Tenderer's share, by value, and role and responsibilities shall be considered to meet this requirement.

10. Personnel

The Tenderer must demonstrate that it will have the personnel for the key positions that meet the following requirements:

No.	Position	Information System Experience
1	Project Manager/ Team Leader	Developing and implementing and managing scalable systems with competencies in integrated systems and information security management and IT in general. Give a minimum of two project.
2	Functional Consultant/Trainer	Systems implementation and training
3	Software Engineer/Developer	Knowledge of Developer tools C, C++, C#, VB.Net ASP Net
4	Database Developer/Administrator	System development/ or in relevant field. Give reference of three similar projects
5	System integration expert	System development and integration/ or in relevant field
6	Web-based System Developer	Online/web-based system development or in relevant field
7	Infrastructure Engineer	Implementation and support of relevant field
8	Security Expert	ICT security field and should have experiences in ICT systems security and design, development, implementation of security solutions

The Tenderer shall provide details of the proposed personnel and their experience records in the relevant Forms included in Section IV, Tendering Forms.

11. Subcontractors/vendors/manufacturers

Subcontractors/vendors/manufacturers for the following major items of supply or services must meet the following minimum criteria, herein listed for that item:

Item No.	Description of Item	Minimum Criteria to be met
1	Project Management	Bachelor's Degree in Computer Science, Engineering, Business Administration, IT or related. Should have a minimum of 8 years' experience in IT systems and Project Management
2	System implementation and training	B. Sc in computer science/IT or relevant field
3	Software Development	B.Sc./ in Computer Science, Engineering or related degree • Certification in programming languages C, C++, C#, VB.Net,ASP Net
4	Database Administration	BSc or Diploma in computer science/IT or relevant field
5	System integration/development	BSc or Diploma in computer science/IT or integration expert relevant field
6	Web-based System Development	• Software development certification • UX Design certification
7	Infrastructure/ Hardware Systems	B.SC/ in Computer Science, Engineering or related degree
8	Systems Security	B.SC/ in Computer Science, Engineering, or related degree

Failure to comply with this requirement will result in rejection of the subcontractor/vendor.
In the case of a Tenderer who offers to supply and install major items of supply under the contract that the Tenderer did not manufacture or otherwise produce, the Tenderer shall provide the manufacturer's authorization, using the form provided in Section IV, showing that the Tenderer has been duly authorized by the manufacturer or producer of

the related sub system or component to supply and install that item in Kenya. The Tenderer is responsible for ensuring that the manufacturer or producer complies with the requirements of ITT 4 and 5 and meets the minimum criteria listed above for that item.

SECTION IV - TENDERING FORMS

1. FORM OF TENDER

(Amended and issued pursuant to PPRA CIRCULAR No. 02/2022)

INSTRUCTIONS TO TENDERERS

i) All italicized text is to help the Tenderer in preparing this form.

ii) The Tenderer must prepare this Form of Tender on stationery with its letterhead clearly showing the Tenderer's complete name and business address. Tenderers are reminded that this is a mandatory requirement.

iii) Tenderer must complete and sign CERTIFICATE OF INDEPENDENT TENDER DETERMINATION and the SELF DECLARATION FORMS OF THE TENDERER as listed under (s) below.

Date of this Tender submission:.....*[insert date (as day, month and year) of Tender submission]*

Tender Name and Identification:.....*[insert identification]*

Alternative No.:.....*[insert identification No if this is a Tender for an alternative]*

To: ..... *[Insert complete name of Procuring Entity]*

a) **No reservations:** We have examined and have no reservations to the tendering document, including Addenda issued in accordance with Instructions to Tenderers (ITT 8);

b) **Eligibility**: We meet the eligibility requirements and have no conflict of interest in accordance with ITT 4;

c) **Tender-Securing Declaration:** We have not been debarred by the Authority based on execution of a Tender-Securing Declaration or Tender Securing Declaration in Kenya in accordance with ITT 4.8;

d) **Conformity:** We offer to provide design, supply and installation services in conformity with the tendering document of the following: [*insert a brief description of the IS Design, Supply and Installation Services*];

e) **Tender Price:** The total price of our Tender, excluding any discounts offered in item (f) below is: *[Insert one of the options below as appropriate]*

[Option1, in case of one lot:] Total price is: [*insert the total price of the Tender in words and figures, indicating the various amounts and the respective currencies*];

Or

[Option 2, in case of multiple lots:] (a) Total price of each lot [*insert the total price of each lot in words and figures, indicating the various amounts and the respective currencies*]; and (b) Total price of all lots (sum of all lots) [*insert the total price of all lots in words and figures, indicating the various amounts and the respective currencies*];

(f) **Discounts:** The discounts offered and the methodology for their application are:

i) The discounts offered are: [*Specify in detail each discount offered.*]

ii) The exact method of calculations to determine the net price after application of discounts is shown below: [*Specify in detail the method that shall be used to apply the discounts*];

g) **Tender Validity Period:** Our Tender shall be valid for the period specified in TDS ITT 19.1 (as amended if applicable) from the date fixed for the Tender submission deadline (specified in TDS ITT 23.1 (as amended if applicable), and it shall remain binding upon us and may be accepted at any time before the expiration of that period;

h) **Performance Security:** If our Tender is accepted, we commit to obtain a Performance Security in accordance with the tendering document;

i) **One Tender per Tenderer:** We are not submitting any other Tender (s) as an individual Tenderer, and we are not participating in any other Tender (s) as a Joint Venture member, and meet the requirements of ITT 4.3, other than alternative Tenders submitted in accordance with ITT 13;

j) **Suspension and Debarment**: We, along with any of our subcontractors, suppliers, consultants, manufacturers, or service providers for any part of the contract, are not subject to, and not controlled by any entity or individual that is subject to, a temporary suspension or a debarment imposed by the PPRA. Further, we are not in eligible under Laws of Kenya or official regulations or pursuant to a decision of the United Nations Security Council;

k) **State-owned enterprise or institution**: [*select the appropriate option and delete the other*] [*We are not a state- owned enterprise or institution*]/ [*We are a state-owned enterprise or institution but meet the requirements of ITT 4.7*];

l) **Commissions, gratuities and fees**: We have paid, or will pay the following commissions, gratuities, or fees with respect to the Tendering process or execution of the Contract: *[insert complete name of each Recipient, its full address, the reason for which each commission or gratuity was paid and the amount and currency of each such commission or gratuity]*

Name of Recipient	Address	Reason	Amount

(If none has been paid or is to be paid, indicate "none.")

m) **Binding Contract**: We understand that this Tender, together with your written acceptance thereof included in your Form of Acceptance, shall constitute a binding contract between us, until a formal contract is prepared and executed;

n) **Not Bound to Accept:** We understand that you are not bound to accept the lowest evaluated cost Tender, the Best Evaluated Tender or any other Tender that you may receive; and

o) **Fraud and Corruption:** We hereby certify that we have taken steps to ensure that no person acting for us or on our behalf engages in any type of Fraud and Corruption.

Name of the Tenderer: *[*insert complete name of person signing the Tender*]

p) **Collusive practices:** We hereby certify and confirm that the tender is genuine, non-collusive and made with the intention of accepting the contract if awarded. To this effect we have signed the "Certificate of Independent Tender Determination" attached below.

q) **Code of Ethical Conduct:** We undertake to adhere by the Code of Ethical Conduct for Persons Participating in Public Procurement and Asset Disposal Activities in Kenya, copy available from ***www.pppra.go.ke*** during the procurement process and the execution of any resulting contract.

r) **Beneficial Ownership Information:** We commit to provide to the procuring entity the Beneficial Ownership Information in conformity with the Beneficial Ownership Disclosure Form upon receipt of notification of intention to enter into a contract in the event we are the successful tenderer in this subject procurement proceeding.

s) We, the Tenderer, have duly completed, signed and stamped the following Forms as part of our Tender:

i) Tenderer's Eligibility; Confidential Business Questionnaire – to establish we are not in any conflict to interest.

ii) Certificate of Independent Tender Determination – to declare that we completed the tender without colluding with other tenderers.

iii) Self-Declaration of the Tenderer–to declare that we will, if awarded a contract, not engage in any form

of fraud and corruption.

iv) Declaration and commitment to the code of ethics for Persons Participating in Public Procurement and Asset Disposal Activities in Kenya. Further, we confirm that we have read and understood the full content and scope of fraud and corruption as in formed in **"Appendix1-Fraud and Corruption**" attached to the Form of Tender.

Name of the person duly authorized to sign the Tender on behalf of the Tenderer: **[*insert complete name of person duly authorized to sign the Tender*]

Title of the person signing the Tender: [*insert complete title of the person signing the Tender*]

Signature of the person named above: [*insert signature of person whose name and capacity are shown*

above]

Date signed [*insert date of signing*] **day of** [*insert month*], [*insert year*].

(1) TENDERER'S ELIGIBILITY-CONFIDENTIAL BUSINESS QUESTIONNAIRE

Instruction to Tenderer

Tender is instructed to complete the particulars required in this Form, *one form for each entity if Tender is a JV.* Tenderer is further reminded that it is an offence to give false information on this Form.

a) Tenderer's details

	ITEM	DESCRIPTION
1	Name of the Procuring Entity	
2	Reference Number of the Tender	
3	Date and Time of Tender Opening	
4	Name of the Tenderer	
5	Full Address and Contact Details of the Tenderer.	1. Country 2. City 3. Location 4. Building 5. Floor 6. Postal Address 7. Name and email of contact person.
6	Current Trade License Registration Number and Expiring date	
7	Name, country and full address (*postal and physical addresses, email, and telephone number*) of Registering Body/Agency	
8	Description of Nature of Business	
9	Maximum value of business which the Tenderer handles.	
10	State if Tenders Company is listed in stock exchange, give name and full address (*postal and physical addresses, email, and telephone number*) of state which stock exchange	

General and Specific Details

b) **Sole Proprietor,** provide the following details.

Name in full_____Age_____

Nationality_____Country of Origin_____

Citizenship _____

c) **Partnership,** provide the following details.

	Names of Partners	Nationality	Citizenship	% Shares owned
1				
2				
3				

d) **Registered Company,** provide the following details.

(i) Private or public Company _____

(ii) State the nominal and issued capital of the Company

Nominal Kenya Shillings (Equivalent).....

Issued Kenya Shillings (Equivalent).....

(iii) Give details of Directors as follows.

	Names of Director	Nationality	Citizenship	% Shares owned
1				
2				
3				

e) DISCLOSURE OF INTEREST - Interest of the Firm in the Procuring Entity.

i) are there any person/persons in…… (*Name of Procuring Entity)* who has/have an interest or relationship in this firm? Yes/ No……

If yes, provide details as follows.

	Names of Person	Designation in the Procuring Entity	Interest or Relationship with Tenderer
1			
2			
3			

ii) Conflict of interest disclosure

	Type of Conflict	Disclosure YES OR NO	If YES provide details of the relationship with Tenderer
1	Tenderer is directly or indirectly controls, is controlled by or is under common control with another tenderer.		
2	Tenderer receives or has received any direct or indirect subsidy from another tenderer.		
3	Tenderer has the same legal representative as another tenderer		
4	Tender has a relationship with another tenderer, directly or through common third parties, that puts it in a position to influence the tender of another tenderer, or influence the decisions of the Procuring Entity regarding this tendering process.		
5	Any of the Tenderer's affiliates participated as a consultant in the preparation of the design or technical specifications of the works that are the subject of the tender.		
6	Tenderer would be providing goods, works, non-consulting services or consulting services during implementation of the contract specified in this Tender Document.		
7	Tenderer has a close business or family relationship with a professional staff of the Procuring Entity who are directly or indirectly involved in the preparation of the Tender document or specifications of the Contract, and/or the Tender evaluation process of such contract.		
8	Tenderer has a close business or family relationship with a professional staff of the Procuring Entity who would be involved in the implementation or supervision of the such Contract.		
9	Has the conflict stemming from such relationship stated in item 7 and 8 above been resolved in a manner acceptable to the Procuring Entity throughout the tendering process and execution of the Contract.		

f) Certification

On behalf of the Tenderer, I certify that the information given above is complete, current and accurate as at the date of submission.

Full Name_____

Title orDesignation_____

_____ _____

(Signature) *(Date)*

1) CERTIFICATE OF INDEPENDENT TENDER DETERMINATION

I, the undersigned, in submitting the accompanying Letter of Tender to the_____*[Name of Procuring Entity]* for:_____*[Name and number of tenders]* in response to the request for tenders made by: _____*[Name of Tenderer]* do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of_____*[Name of Tenderer]* that:

i). I have read and I understand the contents of this Certificate;

ii). I understand that the Tender will be disqualified if this Certificate is found not to be true and complete in every respect;

iii). I am the authorized representative of the Tenderer with authority to sign this Certificate, and to submit the Tender on behalf of the Tenderer;

iv). For the purposes of this Certificate and the Tender, I understand that the word "competitor" shall include any individual or organization, other than the Tenderer, whether or not affiliated with the Tenderer, who:

a) Has been requested to submit a Tender in response to this request for tenders;

b) could potentially submit a tender in response to this request for tenders, based on their qualifications, abilities or experience;

v). The Tenderer discloses that [check one of the following, as applicable]:

a) The Tenderer has arrived at the Tender independently from, and without consultation, communication, agreement or arrangement with, any competitor;

b) the Tenderer has entered into consultations, communications, agreements or arrangements with one or more competitors regarding this request for tenders, and the Tenderer discloses, in the attached document(s), complete details thereof, including the names of the competitors and the nature of, and reasons for, such consultations, communications, agreements or arrangements;

vi). In particular, without limiting the generality of paragraphs (5) (a) or (5) (b) above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:

a) prices;

b) methods, factors or formulas used to calculate prices;

c) the intention or decision to submit, or not to submit, a tender; or

d) the submission of a tender which does not meet the specifications of the request for Tenders; except as specifically disclosed pursuant to paragraph (5) (b) above;

vii). In addition, there has been no consultation, communication, agreement or arrangement with any competitor regarding the quality, quantity, specifications or delivery particulars of the works or services to which this request for tenders relates, except as specifically authorized by the procuring authority or as specifically disclosed pursuant to paragraph (5) (b) above;

viii). The terms of the Tender have not been, and will not be, knowingly disclosed by the Tenderer, directly or indirectly, to any competitor, prior to the date and time of the official tender opening, or of the awarding of the Contract, whichever comes first, unless otherwise required by law or as specifically disclosed pursuant to paragraph(5)(b) above.

Name_____

Title_____

Date_____

_____

[Name, title and signature of authorized agent of Tenderer and Date]

(3) SELF-DECLARATION FORMS

FORM SD1

SELF DECLARATION THAT THE PERSON/ TENDERER IS NOT DEBARRED IN THE MATTER OF THE PUBLIC PROCUREMENT AND ASSET DISPOSAL ACT 2015.

I, ……., of Post Office Box …….……. being a resident of …….. in the Republic of ……. do hereby make a statement as follows: -

1. THAT I am the Company Secretary/ Chief Executive/Managing Director/Principal Officer/Director of ……...…….. *(insert name of the Company)* who is a Bidder in respect of **Tender No…….** for……. *(insert tender title/description)* for……. *(insert name of the Procuring entity)* and duly authorized and competent to make this statement.

2. THAT the aforesaid Bidder, its Directors and subcontractors have not been debarred from participating in procurement proceeding under Part IV of the Act.

3. THAT what is deponed to here in above is true to the best of my knowledge, information and belief.

…….	…….	……
(Title)	(Signature)	(Date)

Bidder Official Stamp

FORM SD2

SELF DECLARATION THAT THE PERSON/TENDERER WILL NOT ENGAGE IN ANY CORRUPT OR FRAUDULENT PRACTICE

I, ...of P. O. Box..... being a resident of ……. in the Republic of.....do hereby make a statement as follows: -

1. THAT I am the Chief Executive /Managing Director/ Principal Officer/ Director of……..... .....…… *(insert name of the Company)* who is a Bidder in respect of **Tender No. ……..** for ……. *(insert tender title/description)* for …… *(insert name of the Procuring entity)* and duly authorized and competent to make this statement.

2. THAT the aforesaid Bidder, its servants and/or agents /subcontractors will not engage in any corrupt or fraudulent practice and has not been requested to pay any inducement to any member of the Board, Management, Staff and /or employees and /or agents of……. *(insert name of the Procuring entity)* which is the procuring entity.

3. THAT the aforesaid Bidder, its servants and /or agents /subcontractors have not offered any inducement to any member of the Board, Management, Staff and/ or employees and/ or agents of……. *(name of the procuring entity).*

4. THAT the aforesaid Bidder will not engage /has not engaged in any corrosive practice with other bidders participating in the subject tender

5. THAT what is deponed to here in above is true to the best of my knowledge information and belief.

……. ……. ……
(Title) (Signature) (Date)

Bidder Official Stamp

DECLARATION AND COMMITMENT TO THE CODE OF ETHICS

I ..... (person) on behalf of ***(Name of the Business/Company/Firm***) ……. declare that I have read and fully understood the contents of the Public Procurement & Asset Disposal Act, 2015, Regulations and the Code of Ethics for persons participating in Public Procurement and Asset Disposal activities in Kenya and my responsibilities under the Code.

I do hereby commit to abide by the provisions of the Code of Ethics for persons participating in Public Procurement and Asset Disposal.

Name of Authorized signatory…..…….

Sign…….....…….....

Position…….....…….....……

Office address…….....……. Telephone…….

E-mail…….....……

Name of the Firm/Company…….....….....

Date…….....…...

(Company Seal/ Rubber Stamp where applicable)

Witness

Name…….....

Sign…….....

Date…….....

4) APPENDIX 1 - FRAUD AND CORRUPTION

(Appendix 1 shall not be modified)

1. Purpose

1.1 The Government of Kenya's Anti-Corruption and Economic Crime laws and their sanction's policies and procedures, Public Procurement and Asset Disposal Act, 2015 (the Act) and the Public Procurement and Asset Regulations, 2020 (the Regulations) and any other relevant Kenya's Acts or Regulations related to Fraud and Corruption, and similar offences, shall apply with respect to Public Procurement Processes and Contracts that are governed by the laws of Kenya.

2. Requirements

2.1 The Government of Kenya requires that all parties including Procuring Entities, Tenderers, (applicants/proposers), Consultants, Contractors and Suppliers; any Sub-contractors, Sub-consultants, Service providers or Suppliers; any Agents (whether declared or not); and any of their Personnel, involved and engaged in procurement under Kenya's Laws and Regulation, observe the highest standard of ethics during the procurement process, selection and contract execution of all contracts, and refrain from Fraud and Corruption and fully comply with Kenya's laws and Regulations as per paragraphs 1.1 above.

2.2 Section 66 of the Act describes rules to be followed and actions to be taken in dealing with Corrupt, Coercive, Obstructive, Collusive or Fraudulent practices, and Conflicts of Interest in procurement including consequences for offences committed. A few of the provisions noted below high light Kenya's policy of no tolerance for such practices and behavior:

i) A person to whom this Act applies shall not be involved in any corrupt, coercive, obstructive, collusive or fraudulent practice; or conflicts of interest in any procurement or asset disposal proceeding;

ii) Adperson referred to under subsection (1) who contravenes the provisions of that sub-section commits an offence;

iii) Without limiting the generality of the subsection (1) and (2), the person shall be: -

a) disqualified from entering into a contract for a procurement or asset disposal proceeding; or

b) if a contract has already been entered into with the person, the contract shall be voidable;

iv) The voiding of a contract by the procuring entity under subsection (7) does not limit any legal remedy the procuring entity may have;

v) An employee or agent of the procuring entity or a member of the Board or committee of the procuring entity who has a conflict of interest with respect to a procurement: -
a) Shall not take part in the procurement proceedings;
b) shall not, after a procurement contract has been entered into, take part in any decision relating to the procurement or contract; and
c) shall not be a subcontractor for the tenderer to whom was awarded contract, or a member of the group of tenderers to whom the contract was awarded, but the subcontractor appointed shall meet all the requirements of this Act.

vi) An employee, agent or member described in subsection (1) who refrains from doing anything prohibited under that subsection, but for that subsection, would have been within his or her duties shall disclose the conflict of interest to the procuring entity;

vii) If a person contravenes sub section (1) with respect to a conflict of interest described in sub section (5) (a) and the contract is awarded to the person or his relative or to another person in whom one of them had a direct or indirect pecuniary interest, the contract shall be terminated and all costs incurred by the public entity shall be made good by the awarding officer. Etc.

2.2 In compliance with Kenya's laws, regulations and policies mentioned above, the Procuring Entity:

a) Defines broadly, for the purposes of the above provisions, the terms:
i) “corrupt practice” is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

ii) "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;

iii) "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

iv) "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

v) "obstructive practice" is:

1) Deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede investigation by Public Procurement Regulatory Authority (PPRA) or any other appropriate authority appointed by Government of Kenya into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or

2) acts intended to materially impede the exercise of the PPRA's or the appointed authority's inspection and audit rights provided for under paragraph 2.3e. below.

b) Defines more specifically, in accordance with the Act, provisions set forth for fraudulent and collusive practices as follows:

"fraudulent practice" includes a misrepresentation of fact in order to influence a procurement or disposal processor the exercise of a contract to the detriment of the procuring entity or the tenderer or the contractor, and includes collusive practices amongst tenderers prior to or after tender submission designed to establish tender prices at artificial non-competitive levels and to deprive the procuring entity of the benefits of free and open competition.

c) Rejects a proposal for award[1] of a contract if PPRA determines that the firm or individual recommended for award, any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/ or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;

d) Pursuant to the Act and the Regulations, the Procuring Entity may recommend to PPRA for sanctioning and debarment of a firm or individual, as applicable under the Act and the Regulations;

e) Requires that a clause be included in the tender documents and Request for Proposal documents requiring (i) Tenderers (applicants/proposers), Consultants, Contractors, and Suppliers, and their Sub-contractors, Sub-consultants, Service providers, Suppliers, Agents personnel, permit the PPRA or any other appropriate authority appointed by Government of Kenya to inspect[2]all accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have them audited by auditors appointed by the PPRA or any other appropriate authority appointed by Government of Kenya; and

f) Pursuant to Section 62 of the Act, requires Applicants/Tenderers to submit along with their Applications/Tenders/Proposals a "Self-Declaration Form" as included in the procurement document declaring that they and all parties involved in the procurement process and contract execution have not engaged/ will not engage in any corrupt or fraudulent practices.

---

[1] *For the avoidance of doubt, a party's ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in A consultancy, and tendering, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.*

[2] *Inspections in this context usually are investigative (i.e., forensic) in nature. They involve fact-finding activities undertaken by the Investigating Authority or persons appointed by the Procuring Entity to address specific matters related to investigations/ audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to: accessing and examining a firm's or individual's financial records and information, and making copies there of as relevant; accessing and examining any other documents ,data and information (whether in hard copy or electronic format) deemed relevant for the investigation/ audit, and making copies there of as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verification of information.*

PRICE SCHEDULE FORMS

Notes to Tenderers on working with the Price Schedules

1.1 General

The Price Schedules are divided into separate Schedules as follows:

a Grand Summary Cost Table

b Supply and Installation Cost Summary Table

c Recurrent Cost Summary Table

d Supply and Installation Cost Sub-Table (s)

e Recurrent Cost Sub-Tables (s)

f Country of Origin Code Table

[insert:]

1.2 The Schedules do not generally give a full description of the information technologies to be supplied, installed, and operationally accepted, or the Services to be performed under each item. However, it is assumed that Tenderers shall have read the Technical Requirements and other sections of these tendering documents to ascertain the full scope of the requirements associated with each item prior to filling in the rates and prices. The quoted rates and prices shall be deemed to cover the full scope of these Technical Requirements, as well as overhead and profit.

1.3 If Tenderers are unclear or uncertain as to the scope of any item, they shall seek clarification in accordance with the Instructions to Tenderers in the tendering documents prior to submitting their tender.

2. Pricing

2.1 Prices shall be filled in indelible ink, and any alterations necessary due to errors, etc., shall be initialed by the Tenderer. As specified in the Tender Data Sheet, prices shall be fixed and firm for the duration of the Contract.

2.2 Tender prices shall be quoted in the manner indicated and, in the currencies, specified in ITT 18.1 and ITT 18.2. Prices must correspond to items of the scope and quality defined in the Technical Requirements or elsewhere in these tendering documents.

2.3 The Tenderer must exercise great care in preparing its calculations, since there is no opportunity to correct errors once the deadline for submission of tenders has passed. A single error in specifying a unit price can therefore change a Tenderer's overall total tender price substantially, make the tender noncompetitive, or subject the Tenderer to possible loss. The Procuring Entity will correct any arithmetic error in accordance with the provisions of ITT 32.

2.4 Payments will be made to the Supplier in the currency or currencies indicated under each respective item. As specified in ITT18.2, no more than two foreign currencies may be used.

1. Grand Summary Cost Table

		*[insert: **Kenya shillings]* ***Price***	*[insert: **Foreign Currency A]*** ***Price***	*[insert: **Foreign Currency B]*** ***Price***
1.	Supply and Installation Costs (from Supply and Installation Cost Summary Table)			
2.	Recurrent Costs (from Recurrent Cost Summary Table)			
3.	Grand Totals (to Tender Submission Form)			

Name of Tenderer: _____

_____ Date _____

Authorized Signature of Tenderer:

2. Supply and Installation Cost Summary Table

Costs MUST reflect prices and rates quoted in accordance with ITT17 and

Line Item No.	**Subsystem / Item**	**Supply and Installation Cost Sub-Table No.**	*[insert: **Kenya shillings]*** Price	*[insert: **Local Currency]*** Price	*[insert: **Foreign Currency A]*** Price
1	Project Plan	- -			
2	Subsystem 1				
SUBTOTALS					
TOTAL (To Grand Summary Table)					

Note: - indicates not applicable. "Indicates repetition of table entry above. Refer to the relevant Supply and Installation Cost Sub-Table for the specific components that constitute each Subsystem or line item in this summary table

Name of Tenderer:_____

_____Date_____

Authorized Signature of Tenderer:

3. Recurrent Cost Summary Table

Costs MUST reflect prices and rates quoted in accordance with ITT 17 and ITT18.

Line Item No.	**Subsystem / Item**	**Recurrent Cost Sub-Table No.**	***[insert: Kenya shilling] Price***	***[insert: Foreign Currency A] Price***	***[insert: Foreign Currency B] Price***
	Subtotals (to Grand Summary Table)				

Note: Refer to the relevant Recurrent Cost Sub-Tables for the specific components that constitute the Sub system or line item in this summary table.

Name of Tenderer:_____

Date_____

Authorized Signature of Tenderer:_____

4. Supply and Installation Cost Sub-Table *[insert: identifying number]*

Line-item number: [*specify:* ***relevant line-item number from the Supply and Installation Cost Summary Table*** *(e.g., 1.1)]*

Prices, rates, and subtotals MUST be quoted in accordance with ITT 17 and ITT18.

				Unit Prices / Rates					**Total Prices**			
				Supplied Locally	**Supplied from outside Kenya**				**Supplied Locally**	**Supplied from outside Kenya**		
Component No.	**Component Description**	**Country of Origin Code**	**Quantity**	***[insert: local currency]***	***[insert: local currency]***	***[insert: foreign currency A]***	***[insert foreign currency B]***		***[insert: local currency]***	***[insert: local currency]***	***[insert: foreign currency A]***	***[insert: foreign currency B]***
X.1	____	- -	- -	- -	- -	- -	- -					
Subtotals (to *[insert:* ***line item]*** of Supply and Installation Cost Summary Table)												

Note: - - indicates not applicable

Name of Tenderer: _____

_____Date_____

Authorized Signature of Tenderer:

5. Recurrent Cost Sub-Table [*insert: identifying number] –Warranty Period*

Lot number: *"**single lot procurement**"]* Line-item number**: [***specify: **relevant line-item number from the Recurrent Cost Summary Table–** (e.g., y.1)]* Currency: ***Kenya Shillings***

*[As necessary for operation of the System, specify: **the detailed components and quantities in the Sub-Table below for the line item specified above, modifying the sample components and sample table entries as needed.** Repeat the Sub-Table as needed to cover each and every line item in the Recurrent Cost Summary Table that requires elaboration.**]***

Costs MUST reflect prices and rates quoted in accordance with ITT 17 and ITT18.

		Maximum all-inclusive costs (for costs in *[insert: currency]*)						
Component No.	**Component**	**Y1**	**Y2**	**Y3**	**Y4**	**...**	**Yn**	**Sub-total for *[insert: currency]***
1.	Hardware Maintenance	Incl. in Warranty	Incl. in Warranty	Incl. in Warranty				
2.	Software Licenses & Updates	Incl. in Warranty						
2.1	System and General-Purpose Software	Incl. in Warranty						
2.2	Application, Standard and Custom Software	Incl. in Warranty						
3.	Technical Services							
3.1	Sr. Systems Analyst							
3.2	Sr. Programmer							
3.3	Sr. Network Specialist, …. etc.							
4.	Telecommunications costs [to be detailed]							
5.	[Identify other recurrent costs as may apply]							
	Annual Subtotals:							- -
Cumulative Subtotal (to *[insert: **currency]*** entry for *[insert: **line item***] in the Recurrent Cost Summary Table)								

Name of Tenderer:_____Date_____

Authorized Signature of Tenderer: _____

6. Country of Origin Code Table

Country of Origin	Country Code	Country of Origin	Country Code	Country of Origin	Country Code

QUALIFICATION FORMS

1. FOREIGN TENDERERS 40% RULE

Pursuant to ITT 4.11, a foreign tenderer must complete this form to demonstrate that the tender fulfils this condition.

ITEM	Description of Work Item	Describe location of Source	COST in K. shillings	Comments, if any
A	Local Labor			
1				
2				
3				
4				
5				
B	Sub contracts from Local sources			
1				
2				
3				
4				
5				
C	Local materials			
1				
2				
3				
4				
5				
D	Use of Local Plant and Equipment			
1				
2				
3				
4				
5				
E	Add any other items			
1				
2				
3				
4				
5				
6				
	TOTAL COST LOCAL CONTENT		xxxxx	
	PERCENTAGE OF CONTRACT PRICE		xxxxxx	

2. Form ELI-1 Tenderer Information Form

[The Tenderer shall fill in this Form in accordance with the instructions indicated below. No alterations to its format shall be permitted and no substitutions shall be accepted.]

Date: .....*[insert date (as day, month and year) of Tender submission*]

ITT No.: .....*[insert number of Tendering process]*

Alternative No.: .....*[insert identification No if this is a Tender for an alternative]*

1. Tenderer's Name [*insert Tenderer's legal name]*
2. In case of JV, legal name of each member: *[insert legal name of each member in JV]*
3. Tenderer's actual or intended country of registration: *[insert actual or intended country of registration]*
4. Tenderer's year of registration: *[insert Tenderer's year of registration]*
5. Tenderer's Address in country of registration: *[insert Tenderer's legal address in country of registration]*
6. Tenderer's Authorized Representative Information Name: *[insert Authorized Representative's name]* Address: *[insert Authorized Representative's Address]* Telephone/Fax numbers: *[insert Authorized Representative's telephone/fax numbers]* Email Address: *[insert Authorized Representative's email address]*
7. Attached are copies of original documents of *[check the box(es) of the attached original documents]* ☐ Articles of Incorporation (or equivalent documents of constitution or association), and/or documents of registration of the legal entity named above, in accordance with ITT 4.4. ☐ In case of JV, Form of intent to form JV or JV agreement, in accordance with ITT 4.1. ☐ In case of state-owned enterprise or institution, in accordance with ITT 4.6 documents establishing: • Legal and financial autonomy • Operation under commercial law • Establishing that the Tenderer is not under the supervision of the Procuring Entity ☐ Included are the organizational chart and a list of Board of Directors.

3. Form ELI-1 Tenderer's JV Members Information Form

[The Tenderer shall fill in this Form in accordance with the instructions indicated below. The following table shall be filled in for the Tenderer and for each member of a Joint Venture].

Date: .....*[insert date (as day, month and year) of Tender submission*]

ITT No.: .....*[insert number of Tendering process]*

Alternative No.: .....*[insert identification No if this is a Tender for an alternative]*

Page_____of_____pages

1. Tenderer's Name: *[insert Tenderer's legal name]*
2. Tenderer's JV Member's name: *[insert JV's Member legal name]*
3. Tenderer's JV Member's country of registration: *[insert JV's Member country of registration]*
4. Tenderer's JV Member's year of registration: *[insert JV's Member year of registration]*
5. Tenderer's JV Member's legal address in country of registration: *[insert JV's Member legal address in country of registration]*
6. Tenderer's JV Member's authorized representative information Name: *[insert name of JV's Member authorized representative]* Address: *[insert address of JV's Member authorized representative]* Telephone/Fax numbers: *[insert telephone/fax numbers of JV's Member authorized representative]* Email Address: *[insert email address of JV's Member authorized representative]*
7. Attached are copies of original documents of *[check the box(es) of the attached original documents]* ☐ Articles of Incorporation (or equivalent documents of constitution or association), and/or registration documents of the legal entity named above, in accordance with ITT 4.4. ☐ In case of a state-owned enterprise or institution, documents establishing legal and financial autonomy, operation in accordance with commercial law, and they are not under the supervision of the Procuring Entity in accordance with ITT 4.6. ☐ Included are the organizational chart and a list of Board of Directors

4. Form CON–1 Historical Contract Non-Performance and Pending Litigation.

In case a pre-qualification process was conducted this form should be used only if the information submitted at the time of pre-qualification requires updating

Tenderer's Legal Name:_____Date:_____

JV member Legal Name: _____

ITT No.: _____

Age of_____pages

Non-Performing Contracts in accordance with Section III, Evaluation and Qualification Criteria			
Contract non-performance did not occur during the stipulated period, in accordance with Sub- Factor 2.2.1 of Section III, Evaluation Criteria			
Pending Litigation, in accordance with Section III, Evaluation and Qualification Criteria			
No pending litigation in accordance with Sub-Factor 2.2.3 of Section III, Evaluation Criteria Pending litigation in accordance with Sub-Factor 2.2.3 of Section III, Evaluation Criteria, as indicated below			
Year	Outcome as Percent of Total Assets	Contract Identification	Total Contract Amount (current value, US$ equivalent)
_____	_____	Contract Identification: Name of Procuring Entity: Address of Procuring Entity: Matter in dispute:	_____
_____	_____	Contract Identification: Name of Procuring Entity: Address of Procuring Entity: Matter in dispute:	_____

5. Form EXP - 1 Experience – General Experience

Tenderer's Legal Name:_____Date:_____

JV Member Legal Name:_____ITT No.: _____

Page_____of_____pages

Starting Month / Year	Ending Month / Year	Years*	Contract Identification	Role of Tenderer
_____	_____		Contract name: Brief Description of the Information System performed by the Tenderer: Name of Procuring Entity: Address:	_____
_____	_____		Contract name: Brief Description of the Information System performed by the Tenderer: Name of Procuring Entity: Address:	_____
_____	_____		Contract name: Brief Description of the Information System performed by the Tenderer: Name of Procuring Entity: Address:	_____
_____	_____		Contract name: Brief Description of the Information System performed by the Tenderer: Name of Procuring Entity: Address:	_____
_____	_____		Contract name: Brief Description of the Information System performed by the Tenderer: Name of Procuring Entity: Address:	_____
_____	_____		Contract name: Brief Description of the Information System performed by the Tenderer: Name of Procuring Entity: Address:	_____

*List calendar year for years with contracts with at least nine (9) months activity per year starting with the earliest year.

6. Form EXP – 2 Specific Experience

Tenderer's Legal Name: _____ Date: _____
JV Member Legal Name: _____ ITT No.: _____

Page _____ of _____ pages

Similar Contract Number: ___ of ___ required.	**Information**		
Contract Identification	_____		
Award date Completion date	_____ _____		
Role in Contract	Prime Supplier	Management Contractor	Subcontractor
Total contract amount	_____		US$_____
If member in a JV or subcontractor, specify participation of total contract amount	_____%	_____	US$_____
Procuring Entity's Name:	_____		
Address: Telephone/fax number: E-mail:	_____ _____ _____ _____		

7. Form EXP – 2 (cont.) Specific Experience (cont.)

Tenderer's Legal Name: _____ Page _____ of _____ pages
JV Member Legal Name: _____

Similar Contract No. __ [insert specific number] of [total number of contracts] ___ required	**Information**
Description of the similarity in accordance with Sub-Factor 2.4.2 of Section III:	
Amount	_____
Physical size	_____
Complexity	_____
Methods/Technology	_____
Key Activities	_____

8. Form CCC-1 Summary Sheet: Current Contract Commitments/ Work in Progress

Name of Tenderer or partner of a Joint Venture.

Tenderers and each partner to a Joint Venture tender should provide information on their current commitments on all contracts that have been awarded, or for which a Form of intent or acceptance has been received, or for contracts approaching completion, but for which an unqualified, full completion certificate has yet to be issued

Name of contract	**Procuring Entity, contact address/tel./fax**	**Value of outstanding Information System (curre US$ equivalent)**	**Estimated completio date**	**Average monthly invoicin over last six months (US$/month)**
1.				
2.				
3.				
4.				
5.				
etc.				

9. Form FIN – 1 Financial Situation

Historical Financial Performance

Tenderer's Legal Name: _____Date: _____

JV Member Legal Name: _____ITT No._____

Page _____ of _____ pages

To be completed by the Tenderer and, if JV, by each member

Financial information in US$ equivalent	Historic information for previous _____ (__) years (US$ equivalent in 000s)						
	Year 1	Year 2	Year 3	Year …	Year n	Avg.	Avg. Ratio
Information from Balance Sheet							
Total Assets (TA)							
Total Liabilities (TL)							
Net Worth (NW)							
Current Assets (CA)							
Current Liabilities (CL)							
Information from Income Statement							
Total Revenue (TR)							
Profits Before Taxes (PBT)							

Attached are copies of financial statements (balance sheets, including all related notes, and income statements) for the years required above complying with the following conditions:

a) Must reflect the financial situation of the Tenderer or member to a JV, and not sister or parent companies.

b) Historic financial statements must be audited by a certified accountant.

c) Historic financial statements must be complete, including all notes to the financial statements.

d) Historic financial statements must correspond to accounting periods already completed and audited (no statements for partial periods shall be requested or accepted).

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10. Form FIN –2 Average Annual Turnover

Tenderer's Legal Name: _____ Date: _____

JV Member Legal Name: _____ ITT No.: _____

Page _____ of _____ pages

Annual turnover data (applicable activities only)		
Year	Amount and Currency	US$ equivalent
	_____	_____
	_____	_____
	_____	_____
	_____	_____
	_____	_____
*Average Annual Turnover	_____	_____

*Average annual turnover calculated as total certified payments received for work in progress or completed, divided by the number of years specified in Section III, Evaluation and Qualification Criteria, Sub-Factor 2.3.2.

11. Form F-3 Financial Resources

Specify proposed sources of financing, such as liquid assets, unencumbered real assets, lines of credit, and other financial means, net of current commitments, available to meet the total cash flow demands of the subject contract or contracts as indicated in Section III, Evaluation and Qualification Criteria.

Source of financing	**Amount (US$ equivalent)**
1.	
2.	
3.	
4.	

12. Personnel Capabilities

i) Key Personnel

Name of Tenderer or partner of a Joint Venture

Tenderers should provide the names and details of the suitably qualified Personnel to perform the Contract. The data on their experience should be supplied using the Form PER-2 below for each candidate.

1.	**Title of position:** ...	
	Name of candidate:	
	Duration of appointment:	[*insert the whole period (start and end dates) for which this position will be engaged*]
	Time commitment: for this position:	[*insert the number of days/week/months/ that has been scheduled for this position*]
	Expected time schedule for this position:	[*insert the expected time schedule for this position (e.g. attach high level Gantt chart*]
2.	**Title of position: …**	
	Name of candidate:	
	Duration of appointment:	[*insert the whole period (start and end dates) for which this position will be engaged*]
	Time commitment: for this position:	[*insert the number of days/week/months/ that has been scheduled for this position*]
	Expected time schedule for this position:	[*insert the expected time schedule for this position (e.g. attach high level Gantt chart*]
3.	**Title of position:** ...	
	Name of candidate:	
	Duration of appointment:	[*insert the whole period (start and end dates) for which this position will be engaged*]
	Time commitment: for this position:	[*insert the number of days/week/months/ that has been scheduled for this position*]
	Expected time schedule for this position:	[*insert the expected time schedule for this position (e.g. attach high level Gantt chart*]
4.	**Title of position:**	
	Name of candidate	
	Duration of appointment:	[*insert the whole period (start and end dates) for which this position will be engaged*]
	Time commitment: for this position:	[*insert the number of days/week/months/ that has been scheduled for this position*]
	Expected time schedule for this position:	[*insert the expected time schedule for this position (e.g. attach high level Gantt chart*]
6...	**Title of position:**	
	Name of candidate	
	Duration of appointment:	[*insert the whole period (start and end dates) for which this position will be engaged*]

	Time commitment: for this position:	[*insert the number of days/week/months/ that has been scheduled for this position*]
	Expected time schedule for this position:	[*insert the expected time schedule for this position (e.g. attach high level Gantt chart*]

ii) Candidate Summary

Position		**Candidate** Prime Alternate
Candidate information	Name of candidate	Date of birth
	Professional qualifications	
Present employment	Name of Employer	
	Address of Employer	
	Telephone	Contact (manager / personnel officer)
	Fax	Email
	Job title of candidate	Years with present Employer

Summarize professional experience over the last twenty years, in reverse chronological order. Indicate particular technical and managerial experience relevant to the project.

From	**To**	**Company/Project/ Position/Relevant technical and management experien**

iii) **Technical Capabilities**

Tenderer shall provide adequate information to demonstrate clearly that it has the technical capability to meet the requirements for the Information System. With this form, the Tenderer should summarize important certifications, proprietary methodologies, and/or specialized technologies that the Tenderer proposes to utilize in the execution of the Contract or Contracts.

(iv) Manufacturer's Authorization

Note: This authorization should be written on the Form head of the Manufacturer and be signed by a person with the proper authority to sign documents that are binding on the Manufacturer.

Invitation for Tenders Title and No.:_____[*Procuring Entity insert:* ***ITT Title and Number****]*

To:_____[*Procuring Entity insert:* ***Procuring Entity's Officer to receive the Manufacture's Authorization****]*

WHEREAS *[insert:* ***Name of Manufacturer****]* who are official producers of_____*[insert:* ***items of supply by Manufacturer****]* and having production facilities at_____*[insert:* ***address of Manufacturer****]* do here by authorize_____*[insert:* ***name of Tenderer or Joint Venture****]* located at_____*[insert:* ***address of Tenderer or Joint Venture****]* (hereinafter, the "Tenderer") to submit a tender and subsequently negotiate and sign a Contract with you for resale of the following Products produced by us:

We hereby confirm that, in case the tendering results in a Contract between you and the Tenderer, the above-listed products will come with our full standard warranty.

Name *[insert:* ***Name of Officer****]* in the capacity of *[insert:* ***Title of Officer]*** Signed_____

Duly authorized to sign the authorization for and on behalf of:_____*[insert:* ***Name of Manufacturer****]*

Dated this_____*[insert:* ***ordinal****]* day of _____ [*insert:* ***month****]*, *[insert:* ***year****]*. *[add Corporate Seal*

(where appropriate)]

(v) Subcontractor's Agreement

Note: This agreement should be written on the Form head of the Subcontractor and be signed by a person with the proper authority to sign documents that are binding on the Subcontractor.

Invitation for Tenders Title and No.:_____[*Procuring Entity insert:* ***ITT Title and Number****]*

To:_____[*Procuring Entity insert:* ***Procuring Entity's Officer to receive the Subcontractor's Agreement]***

WHERE AS *[insert:* ***Name of Subcontractor****],* having head offices at_____*[insert:* ***address of Subcontractor****],* have been informed by_____*[insert:* ***name of Tenderer or Joint Venture****] located* at _____*[insert:* ***address of Tenderer or Joint Venture****]* (here in after, the "Tenderer") that it will submit a tender in which_____*[insert:* ***Name of Subcontractor****]* will provide [*insert:* ***items of supply or services provided by the Subcontractor****].* We hereby commit to provide the above-named items, in the instance that the Tenderer is awarded the Contract.

Name *[insert:* ***Name of Officer****]*in the capacity of_____*[insert:* ***Title of Officer]***

Signed_____ Duly authorized to sign the authorization for and on

behalf of:_____*[insert:* ***Name of Subcontractor****]*

Dated this_____*[insert:* ***ordinal****]* day of_____[*insert:* ***month****]*, _____ *[insert:* ***year****]*.

[add Corporate Seal (where appropriate)]

vi) List of Proposed Subcontractors

	Item	Proposed Subcontractor	Place of Registration & Qualifications

13. Intellectual Property Forms

Notes to Tenderers on working with the Intellectual Property

Forms

In accordance with ITT 11.1(j), Tenderers must submit, as part of their tenders, lists of all the Software included in the tender assigned to one of the following categories: (A) System, General-Purpose, or Application Software; or (B) Standard or Custom Software. Tenderers must also submit a list of all Custom Materials. These categorizations are needed to support the Intellectual Property in the GCC and SCC.

i) Software List

	(select one per item)			(select one per item)	
Software Item	System Software	General-Purpose Software	Application Software	Standard Software	Custom Software

ii) List of Custom Materials

Custom Materials

14. Conformance of Information System Materials

I) Format of the Technical Tender

In accordance with ITT 16.2, the documentary evidence of conformity of the Information System to the tendering documents includes (but is not restricted to):

a) The Tenderer's Preliminary Project Plan, including, but not restricted, to the topics specified in the TDS ITT 16.2. The Preliminary Project Plan should also state the Tenderer's assessment of the major responsibilities of the Procuring Entity and any other involved third parties in System supply and installation, as well as the Tenderer's proposed means for coordinating activities by each of the involved parties to avoid delays or interference.

b) A written confirmation by the Tenderer that, if awarded the Contract, it shall accept responsibility for successful integration and interoperability of all the proposed Information Technologies included in the System, as further specified in the Technical Requirements.

c) Item-by-Item Commentary on the Technical Requirements demonstrating the substantial responsiveness of the overall design of the System and the individual Information Technologies, Goods, and Services offered to those Technical Requirements.

In demonstrating the responsiveness of its tender, the Tenderer must use the Technical Responsiveness Checklist (Format). Failure to do so increases significantly the risk that the Tenderer's Technical Tender will be declared technically non-responsive. Among other things, the checklist should contain explicit cross-references to the relevant pages in supporting materials included the Tenderer's Technical Tender.

Note: The Technical Requirements are voiced as requirements of the *Supplier* and/or the *System*. The Tenderer's response must provide clear evidence for the evaluation team to assess the credibility of the response. A response of "yes" or "will do" is unlikely to convey the credibility of the response. The Tenderer should indicate *that*–and to the greatest extent practical–*how* the Tenderer would comply with the requirements if awarded the contract. Whenever the technical requirements relate to feature(s) of existing products (e.g., hardware or software), the features should be described and the relevant product literature referenced. When the technical requirements relate to professional services (e.g., analysis, configuration, integration, training, etc.) some effort should be expended to describe how they would be rendered – not just a commitment to perform the [cut-and-paste] requirement. Whenever a technical requirement is for the Supplier to provide certifications (e.g., ISO9001), copies of these certifications must be included in the Technical Tender.

Note: The Manufacture's Authorizations (and any Subcontractor Agreements) are to be included in Attachment 2 (Tenderer Qualifications), in accordance with and ITT 15.

Note: As a matter of practice, the contract cannot be awarded to a Tenderer whose Technical Tender deviates (materially) from the Technical Requirements – *on any Technical Requirement*. Such deviations include omissions (e.g., non-responses) and responses that do not meet or exceed the requirement. Extreme care must be exercised in the preparation and presentation of the responses to all the Technical Requirements.

d) Supporting materials to underpin the Item-by-item Commentary on the Technical Requirements (e.g., product literature, white-papers, narrative descriptions of technical approaches to be employed, etc.). In the interest of timely tender evaluation and contract award, Tenderers are encouraged not to overload the supporting materials with documents that do not directly address the Procuring Entity's requirements.

e) Any separate and enforceable contract(s) for Recurrent Cost items which the TDSITT17.2 required Tenderers to tender.

Note: To facilitate tender evaluation and contract award, Tenderers encouraged to provide electronic copies of their Technical Tender–preferably in a format that the evaluation team can extract text from to facilitate the tender clarification process and to facilitate the preparation of the Tender Evaluation Report.

ii) Technical Responsiveness Checklist (Format)

Tech. Require. No. _	**Technical Requirement:** ***[insert: abbreviated description of Requirement]***
Tenderer's technical reasons supporting compliance:	
Tenderer's cross references to supporting information in Technical Tender:	

FORM OF TENDER SECURITY-[Option 1–Demand Bank Guarantee]

Beneficiary:_____

Request forTenders No:

_____

Date:_____

TENDER GUARANTEE No.:_____

Guarantor: _____

1. We have been informed that_____(here inafter called "the Applicant") has submitted or will submit to the Beneficiary its Tender (here inafter called" the Tender") for the execution of_____ under Request for Tenders No._____("the ITT").

2. Furthermore, we understand that, according to the Beneficiary's conditions, Tenders must be supported by a Tender guarantee.

3. At the request of the Applicant, we, as Guarantor, hereby irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of_____(_____) upon receipt by us of the Beneficiary's complying demand, supported by the Beneficiary's statement, whether in the demand itself or a separate signed document accompanying or identifying the demand, stating that either the Applicant:

(a) has withdrawn its Tender during the period of Tender validity set forth in the Applicant's Letter of Tender ("the Tender Validity Period"), or any extension thereto provided by the Applicant; or

b) having been notified of the acceptance of its Tender by the Beneficiary during the Tender Validity Period or any extension there to provided by the Applicant, (i) has failed to execute the contract agreement, or (ii) has failed to furnish the Performance.

4. This guarantee will expire: (a) if the Applicant is the successful Tenderer, upon our receipt of copies of the contract agreement signed by the Applicant and the Performance Security and, or (b) if the Applicant is not the successful Tenderer, upon the earlier of (i) our receipt of a copy of the Beneficiary's notification to the Applicant of the results of the Tendering process; or (ii) thirty days after the end of the Tender Validity Period.

5. Consequently, any demand for payment under this guarantee must be received by us at the office indicated above onor before that date.

_____

[signature(s)]

Note: All italicized text is for use in preparing this form and shall be deleted from the final product.

FORMAT OF TENDER SECURITY [Option 2–Insurance Guarantee]

TENDER GUARANTEE No.: _____

1. Whereas …… [*Name of the tenderer]* (hereinafter called "the tenderer") has submitted its tender dated …… [*Date of submission of tender]* for the …… *[Name and/or description of the tender]* (hereinafter called "the Tender") for the execution of__under Request for Tenders No._____("the ITT").

2. KNOW ALL PEOPLE by these presents that WE …… of …… [**Name of Insurance Company**] having our registered office at …… (hereinafter called "the Guarantor"), are bound unto …….. [*Name of Procuring Entity*] (hereinafter called "the Procuring Entity") in the sum of …… (Currency and guarantee amount) for which payment well and truly to be made to the said Procuring Entity, the Guarantor binds itself, its successors and assigns, jointly and severally, firmly by these presents.

   Sealed with the Common Seal of the said Guarantor this ___day of _____ 20 __.

3. NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the Applicant:

   a) has withdrawn its Tender during the period of Tender validity set forth in the Principal's Letter of Tender ("the Tender Validity Period"), or any extension thereto provided by the Principal; or

   b) having been notified of the acceptance of its Tender by the Procuring Entity during the Tender Validity Period or any extension thereto provided by the Principal; (i) failed to execute the Contract agreement; or (ii) has failed to furnish the Performance Security, in accordance with the Instructions to tenderers ("ITT") of the Procuring Entity's Tendering document.

   then the guarantee undertakes to immediately pay to the Procuring Entity up to the above amount upon receipt of the Procuring Entity's first written demand, without the Procuring Entity having to substantiate its demand, provided that in its demand the Procuring Entity shall state that the demand arises from the occurrence of any of the above events, specifying which event(s) has occurred.

4. This guarantee will expire: (a) if the Applicant is the successful Tenderer, upon our receipt of copies of the contract agreement signed by the Applicant and the Performance Security and, or (b) if the Applicant is not the successful Tenderer, upon the earlier of (i) our receipt of a copy of the Beneficiary's notification to the Applicant of the results of the Tendering process; or (ii)twenty-eight days after the end of the Tender Validity Period.

5. Consequently, any demand for payment under this guarantee must be received by us at the office indicated above on or before that date.

_____	_____
[Date]	*[Signature of the Guarantor]*
_____	_____
[Witness]	*[Seal]*

Note: All italicized text is for use in preparing this form and shall be deleted from the final product.

TENDER - SECURING DECLARATION FORM {r 46 and155(2)}

[The Bidder shall complete this Form in accordance with the instructions indicated] Date: .....

[insert date (as day, month and year) of Tender Submission]

Tender No.: ..... *[insert number of tendering process]*

To: ..... *[insert complete name of Purchaser]* I/We, the undersigned, declare that:

1. I/We understand that, according to your conditions, bids must be supported by a Tender-Securing Declaration.

2. I/We accept that I/we will automatically be suspended from being eligible for tendering in any contract with the Purchaser for the period of time of [insert number of months or years] starting on [insert date], if we are in breach of our obligation (s) under the bid conditions, because we–(a) have withdrawn our tender during the period of tender validity specified by us in the Tendering Data Sheet; or (b) having been notified of the acceptance of our Bid by the Purchaser during the period of bid validity, (i) fail or refuse to execute the Contract, if required, or (ii) fail or refuse to furnish the Performance Security, in accordance with the instructions to tenders.

3. I/We understand that this Tender Securing Declaration shall expire if we are not the successful Tenderer(s), upon the earlier of:
   a) Our receipt of a copy of your notification of the name of the successful Tenderer; or
   b) thirty days after the expiration of our Tender.

4. I/We understand that if I am/ we are/ in a Joint Venture, the Tender Securing Declaration must be in the name of the Joint Venture that submits the bid, and the Joint Venture has not been legally constituted at the time of bidding, the Tender Securing Declaration shall be in the names of all future partners as named in the letter of intent.

Signed: …….…….....

Capacity / title (director or partner or sole proprietor, etc.) …….…….....…….

Name: …….....

Duly authorized to sign the bid for and on behalf of: _____ [insert complete name of Tenderer] Dated

on……. day of…….……. [Insert date of signing]

Seal or stamp

PART 2 – PROCURING ENTITY'S REQUIREMENTS

SECTION V - REQUIREMENTS OF THE INFORMATION SYSTEM

(INCLUDING TECHNICAL REQUIREMENTS, IMPLEMENTATION SCHEDULE, SYSTEM INVENTORY TABLES, BACKGROUND AND INFORMATIONAL MATERIALS)

CHAPTER ONE

Background:

County Government of Kisumu (CGK) was established by the current Kenyan Constitution which was promulgated in 2010 that created 47 counties as part of the devolved government structure. Kisumu County comprises of 7 Sub counties namely: - Nyakach, Muhoroni, Nyando, Kisumu East, Kisumu Central, Kisumu West and Seme, with 35 Wards.
Kisumu City comprises of 6 wards in Kisumu Central, 5 wards in Kisumu East and 3 wards in Kisumu West.
See annex 1.

The constitution provided for these Counties to become fully operational after the 2013 general elections. CGK derives its mandate from ***Chapter 11 of the Constitution*** and its functions are further elaborated by the ***County Governments Act 2012***. Development and operations of each county is also guided by the National Development Goals (NDGs) and aspirations as embodied in Kenya Vision 2030, a development blueprint running from 2008 to 2030.

County Government of Kisumu has identified the use of ICT as one of the key enablers for better service delivery through automation of various operations and services. One of the solutions identified in this Transformation Roadmap is a fully Automated and Integrated Revenue Management System and Payment Solution.
The system is expected to provide a timely, effective, efficient, accountable and secure mode of revenue collection that provides a convenient payment channel for citizens.

CHAPTER TWO

2.1OBJECTIVES

The general objective is to have a fully Automated and Integrated Revenue Management System for the County Government of Kisumu.

2.1.1 System Objective

I. To Support Collection from all existing and Multiple Revenue Streams within Kisumu County as per the current Finance Act.
II. To eliminate cash handling in revenue collection in Kisumu County.
III. To integrate with both internal and external financial management systems currently in use at the County Government of Kisumu.
IV. Must be able to allow the County to add additional revenue sources with minimum customization.
V. To provide audit trails for System Access and Transactions.
VI. To provide real time and system initiated synchronization of transactions.
VII. To provide resilience and security of transactions against all forms of cyber-attacks.
VIII. To provide real time transaction reports on a secure central server that must be accessible on web and mobile platforms.
IX. Works in both online and offline modes as a safeguard from network failures.
X. To provide all standard financial statements and reports.
XI. Maps all county own revenue sources across all the sub counties and Kisumu City which can easily be integrated with the Kisumu County GIS system.
XII. To provide GPS enabled devices with tracking capabilities and be able to take High Definition images.
XIII. The system must be customized to Kisumu County.
XIV. To provide a Business Intelligence tool.

2.1.2 User Objective

I. To facilitate real time Supervision, monitoring and enforcement policy in revenue collection.
II. To provide efficient, effective and secure self-service portal for public/customer access.
III. To provide a help desk service that will be available 24/7 for any support, integration or inquiries
IV. To fully support cashless payment platforms.
V. The system should be user friendly and easy to use by customers.

2.1.3 Decision Makers Objective

I. To generate relevant reports with graphical representation for comparative analysis, trends and drill down to granular levels.
II. To create dashboards for real time monitoring of all revenue streams.
III. To provide audit trails for System Access and Transactions.

2.2 JUSTIFICATION FOR THE PROJECT

The above objectives are expected to;

(i) Enhance overall revenue collection and identify all untapped streams
(ii) Provide cashless payment platforms to county customers.
(iii)Enhance accountability and integrity in revenue collection, handling and management
(iv)Ease of administration and enforcement in revenue collection.

(v) Ability of CGK to get real time data for informed decision making.
(vi) Enhanced security provisions in collection, access, transmission and banking of revenue.
(vii) Minimize instances of revenue leakages and reduce fraud.
(viii) Ease of revenue reporting.
(ix) Accuracy in revenue projections and setting of targets.

CHAPTER THREE

SCOPE OF WORK

The scope of work will include but not limited to the following: -

I. **Design**, develop, install, deploy, test, train and commission a convenient, reliable, secure and seamless end to end fully Automated and Integrated Revenue Management System.

II. **The Vendor Must Provide the following System deployment plans: -**
   a. A project Implementation plan
   b. Implementation Methodology
   c. Project Change Management plan
   d. Software Customization plan
   e. Data conversion plan
   f. Implementation testing plan/Quality Assurance plan.
   g. Pre and Post –Implementation Support plan.

III. **Integration -** To integrate with both internal and external applications currently in use at the County Government of Kisumu.
   - To integrate with 3rd System platforms i.e. NTSA, IPRS, BRS, E-Citizen etc.

IV. **Automation –** The works will involve automating the collection of all revenue streams as per the current Finance Act with provision to add new identified ones. This will be done by;

- Providing a customized and interactive web portal/site with secure web interface preferably running on SLL/TLS Certificates. The application should be optimized for web and mobile platforms.
- Provide option for hosting with real time mirroring and super access credentials to the county.
- Provide digital handheld/Smart/POS devices with secure data upload mechanism to the backend system with capability to accept credit/debit cards.
- Provide a reliable, scalable and easy to use inbuilt application with minor patches/updates which can possibly interrupt the revenue collection process. The application should be easily configurable and managed.

V. **Payment Platforms –** The proposed system should be able to incorporate but not limited to the following;
- USSD – Unstructured Supplementary Service Data
- Mobile Payment- M-pesa
- Magnetic Stripped Cards – Debit or Credit Cards.
- RTGS
- Digital Wallet Payments
- QR Code based payment
- Mobile Money Agents.
- Web based
- NFC / MST (Near Field Communication / Magnetic Secure Transmission Cards)
- Cash deposits at the bank.

VI. **Security –** The system should put in place active and enhanced security measures in the following areas;
- **Access Control –** Two factor authentication and IP address restriction for all users. This includes web (Front & Backend) and hardware access.
- **Web Interface –** Up to date SSL/TLS certificates
- Periodic security patches to curb unauthorized access, infiltration and malware attacks.

VII. **Reports & Inquiries –** Able to produce customized and real time reports based on a criterion. Optimized loading time, able to produce in different formats i.e., PDF, MS Excel, MS Word, CSV etc.
- Role based report production
- Interactive channels for clients inquiries, settlements and clearance.

VIII. **Availability -** Be online/offline and accessible in all revenue collection centers within the county, 99.5% uptime. Easy to use for citizens and CGK staff and accessibility via different platforms such as Web, WAP, USSD, Android, Windows and other platforms

IX. **Training –** The service provider will conduct thorough training of all system users upon testing and deployment. Conduct periodic training for CGK staff on the use and maintenance of the system. Provision of training manuals/reference materials

X. **Support –**Provide 24/7/365 99.5% availability of the solution. A comprehensive Service Level Agreement (SLA). Providing a help line which users of the system can call to report any problems. Providing upgrades, troubleshooting and fixes to the solution.

XI. **Regulations -** Compliance with existing laws and regulations including CBK and CCK regulations. The system should also comply with globally accepted standards for systems security.

CHAPTER FOUR

System Requirements

The proposed fully Automated and Integrated County Revenue Management System should satisfy the below requirements;

a) Ability to process transactions on real time basis.
b) Ability to support multiple revenue streams such as Parking, Markets rates, Rent collection, Billboards, Permits, Hospital collection and other revenue streams.
c) Comparative analysis and drill down of reports to granular levels.
d) Ability to embed Business Intelligence Tool (BIT) in the system.
e) A fully automated and real-time synchronization of transaction data.
f) The solutions should be practical and easy to use for citizens and County staff involved in collection, verification and enforcement based on the unique characteristics of each revenue streams.
g) Support for Email and sms notifications, including bulk sms, for customer notifications and follow up.
h) Integration to 3rd party systems e.g., NTSA, IPRS, BRS, E-Citizen etc.
i) Ability to verify transactions and payments using unique identifies, including barcodes readers /scanners.

j) Realtime monitoring and control of revenue devices and users including geo-fencing of devices such as POS machines.
k) POS Device management capability that allows for automatic push of updates and real time monitoring. The system should also enable viewing of device logs, control of device status and viewing of device geolocation details.
l) Provide for maker/ checker in the management of users; creation, assignment of roles and deactivation of users.
m) Should have a feature for Impounding that supports E-Clamping and accumulation of impounded amount.
n) Provide for waivers and penalties management with maker checker approval functionality as per the county operations manual.
o) Capability for automatic billing for recurring bills such as rent, monthly sticker, penalties.
p) Provision for reserved parking payments and periodic payments where applicable.
q) Ability to set and track revenue targets.
r) Provide mechanism of measuring performance of all revenue actor; collectors, enforcement officers, supervisors etc.
s) Provide multiple payment options across different providers including mobile money platforms, banks, and agents etc.
t) Support appropriate system integration with existing and future back-office systems at county.
u) Provision of reports and dashboards for real time monitoring of revenue collected from each revenue source and for reconciliation purposes.
v) Easy and quick to deploy and use for customers and County staff.
w) Be accessible via different platforms such as Web, USSD, Android, Windows, iOS, and other platforms.
x) The system should have high availability and redundancy.
y) Compliance with international globally accepted standards for security
z) Be able to capture/transfer already existing information from current systems being used at CGK e.g. LAIFORMS, IPPD, eCHIS etc
aa) Secure and have different roles and rights assignment
ab) The solutions should have GIS integration capabilities.
ac) Provision for enforcement via GIS map for all structured revenue sources.
ad) Direct integration with the CGK Bankers/Payment Gateway for real time verification of payment with ability to search using unique payment feature.
ae) Facilitate instant bank and mobile money reconciliations.
af) Strengthen internal controls and risk management monitoring.
ag) Work in both offline and online modes of payments to address network problems.
ah) Provide hosting services for both production and back-up environments if the county will not implement hosting on its own data centre.
ai) Ability to build client database with unique identifiers per revenue stream.

CHAPTER FIVE

Deliverables

1. Supply, Delivery, Design, Development, Installation, Deployment, Testing, Training, Commissioning and Maintenance of a fully Automated and Integrated County Revenue Management System (AICRMS).
2. Integration to other existing county systems relevant to revenue
3. Integration to 3rd Party System platforms e.g., NTSA, IPRS, BRS, E-Citizen etc.
4. A detailed survey report of the county revenue sources/streams
5. A detailed process flow/ workflow of all the approved county revenue streams

6. Mapping of structured revenue streams/ sources.
7. Hierarchical Revenue reporting dashboard; for monitoring of revenue collected from each revenue source in real time basis.
8. A fully automated backup facility to be provided.
9. Standard secure APIs for future integration with other systems.
10. Data migration and clean-up of existing relevant data for revenue.
11. Training of county staff on use, support and management of the system.
12. Annual Maintenance Contract (AMC) agreement and Service Level Agreement (SLA) that support 24/7 system availability and support.

5.0 SYSTEM TECHNICAL AND FUNCTIONAL REQUIREMENTS

This section sets the minimum list of principal requirements for the fully automated and Integrated County Revenue Management System. The vendor is not limited to add functionalities which may make the system better basing on experience and prevailing technology.
For each requirement, bidders are required to indicate whether their solution meets the requirement in the column titled (C/NC) using the following notation:
C – Compliant
NC – Non-Compliant
In the remarks column bidders should provide clear and concise explanation of their solution's conformance to the requirement. Bidders can also refer to additional supporting information provided elsewhere in their proposal documents. Bidders should refrain from providing false information. Information provided will be verified during the proof-of-concept solution demonstrations to ensure that the features required are functional and ready for deployment.

TECHNICAL REQUIREMENTS CRITERIA

NO.	Tender Requirement	Practical Demonstration	C/NC	Remarks
1	Demonstrate the GIS capabilities of the Revenue Management System	Ability to capture signage description and plot location description		
		Capture geolocation of signage, plot, businesses, markets etc.		
		Assign and restrict Staff and devices to administrative units		
		Assign Revenue Assets to Administrative Units		
2	Demonstrate real time direct deposit capability (Presentment)	Automatic synchronization to county systems and auto reconciliation without any request from client to submit the same to the county office		

3	Capability of real time transactions with batch processing	Back office and online dashboard Integrated		
4	Demonstrate abilities of the proposed system	User registration module and access rights management		
		Business registration & single license, permits.		
		Property owner and property registration management		
		House tenant registration and rent reconciliation		
		Classification of revenue streams and charges as per the approved finance act.		
5	Demonstrate support for multiple payment channels (Electronic payments such as mobile money transfer, debit/credit card, payments and electronic money transfer (RTGS/EFT) in addition to the more traditional options of cheques, and direct deposit	Mobile money options: Multiple mobile operators Support USSD, Android App, iOS App, Windows App		
		e-wallet		
		Currency support i.e., multiple denominations		
		Auto reconciliation		
		Payment card support		
		Support agency banking and kiosks		
6	Support for Multiple Revenue sources	Parking, Markets, Rates, Rent, Billboards, Permits etc.		
7	Demonstrate compliance with CRA revenue collection guidelines	• Integration with existing systems e.g., IFMIS • Demonstrate how the system will comply with the government single chart of account • Audit trail		

		• Surveillance and enforcement by use of QR codes, barcodes, mobile app, Unique Transaction reference, etc • Reports integrated in the system and flexible. • Business intelligence including revenue forecasting and variance analysis etc.		

MANDATORY FUNCTIONAL REQUIREMENTS

CITIZEN SELF SERVICE PORTAL:			
1	Application should have Smart City Portal which should be in the form of mobile app and web app. Any citizen should be able to register and download relevant app from the country portal.		
2	Application should have an integrated Citizen facing self-service portal (where citizens can access government service on self-service basis through the Web/ App) that should be deployable on the Public network and should be available to citizens 24/7/365 day basis.		

3	Citizen Portal Application must be multilingual (available in English and Kiswahili languages) and the citizen's language preference must be persisted within the system.		

COLLECTORS/ENFORCERS MOBILE APPLICATION:			
4	County Revenue Management Users should be able assign officers to collect taxes from selected areas or properties.		
5	County Officers should be able to issue/ demand notices and/or collect payment by issuing receipt from the mobile connected printer.		
6	County Officer should be able to update personal/ ownership information and geographical information of properties.		
WORKFLOWS			
7	All system operations (processes) should be able to process through configurable and guided workflow processes.		
8	These workflows need to be customizable while system is up and running. (Dynamic design /Hot Deployment)		
9	These workflows should capture time taken for each task and those should be linked with KPIs of County Officers in order to monitor their performance.		
	Work Flow Navigation Functionality		

10	Filter items by progress on the workflow. ● Items at a particular point, (i.e. activated tasks carrying the same status) ● Outstanding/late items ● Items assigned to a specific person/role/group		
11	Link functions to workflow tasks and activities. Where possible, automatically complete the linked function.		
12	Status flag of Work Item to be automatically (without user intervention) updated on completion of activated tasks.		
	STANDARD, DYNAMIC AND CONFIGURABLE VIEWS		
13	Views of summary of work for unit/domain/zone/organization should be available		
14	It should be possible to filter the list and sort it by any of the displayed columns of the Views		
15	The view should drill-down its own functionality to get to a detailed transaction level.		
16	Views should have flexibility like Facilities to customize the view by adding and rearranging columns.		

17	The ability to save changes to the view and to create personal views as per the user's desire.		
18	Changes to common views should be an administrative function restricted to authorized administrators only.		

A. TRADE LICENSE.

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should have GIS integration capability for mapping of County revenue streams/sources.		
2	The system should have the ability to calculate fees based on county-defined metrics for the billable services configured and applicable for permits and licenses for the business entity defined		
3	The system should integrate citizen / business records, business license, related taxes, permits and business property into a single system with a consistent look and feel.		
4	The system should have an approval workflow for licenses, Permits and Certificates,		
5	The system should be able to issue interim and the final licenses or permits		
6	The system should be able to report levies paid per revenue streams, zones, description, code sub codes, categories and physical location.		
7	The system should be able to report the number of licenses/permits issued per business entity		
8	The system should be able to report on the number of valid and expired permits/licenses and penalties		
9	The system should be able to notify county staff and citizens when licenses/permits are due in advance.		
10	The system should have the ability to set up an unlimited number of business license accounts for each entity and an unlimited number of business (license) types for each license account established for a business. Example: A hotel chain has multiple locations, and there is a distinct business license associated with each location. Each hotel may also have multiple business (license) types associated with such, restaurants (retail), valet services (personal service), gift shops (retail with food), etc. The system must provide for the creation and association of all of these accounts, and they must be associated by a unique identifier.		

11	The system should have the ability to associate a citizen account with multiple business accounts e.g., person x runs a shopping mall, owns a garage, and has a bar in various parts of the county.		
12	The system should have the ability to add, close, suspend, revoke, reactivate and modify all business license accounts. These should go through a maker/checker approval process.		
13	The system should have seamless integration with revenue collection for purposes of recognizing and updating account status for settled payments or outstanding billings.		
14	The system should have the ability to capture account status for each license based on the configurable status types e.g., Approved, suspended, revoked, expired etc.		
15	The system should have the ability to link to, import and display information from the property record including but not limited to current assessed value; square footage; and ownership history.		
16	The system should have the ability to classify licenses by type.		
17	The system should have the ability to allow for a checklist of application requirements based on business type or category, which must be satisfied as part of the application and licensing process (e.g., customer may be required to provide health permits, zoning approvals etc.).		
18	The system should have the ability to allow the checklist to be updated as needed by county staff having appropriate security/permissions.		
19	The system should have the ability to allow the county's citizens to apply/renew and pay for business licenses via self-service portal, and in doing so, provides security measures to protect customer’s data and ensure data confidentiality.		
20	The system should have the ability to generate bills, invoices, demand notes and receipts		
21	The system should have the ability to generate a bill on an ad hoc basis.		
22	The system should have the ability to charge late payment penalty based on configurable penalty rules.		
23	The system should have the ability to easily generate as a set any applicable forms that should be mailed to a business (e.g., Businesses that have applied a business license).		
24	The system should have the ability to identify accounts with any inconsistencies, reporting discrepancies, variances and produce a candidate case for audit.		
25	The system should have the ability to plot geographic locations for all business license accounts utilizing Geographic Information		

	System (GIS) functionality.		
26	Produce a list of registered businesses		
27	Generate a penalty report for various license categories configured in the system		
28	Produce a list of inactive businesses		
29	The system should be able to process ad hoc applications for burial permit applying the prerequisite checklist rules in the process. The submission of request should have options where it can be submitted online via a web portal or manually processed by an authorized county officer.		
30	The system should be able to refresh the ad-hoc request upon payment confirmation from the collections module and allow the permit to be generated and sent to the requester via various channels e.g., email or downloaded from the citizen portal by the registered customer or collected from the county office nearest to the customer.		
31	The system should incorporate an exemption module for PWDs with a clearance certificate and approvals from relevant authorities.		
32	The system should have ability to search license using a unique identifier, email, telephone, ID, business registration number etc.		

B. PARKING MANAGEMENT

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should provide subsequent rules within the main rules for certain services like parking. For example, in setting up the facility called public parking and the associated fees, there should be penalties where parking fees are not paid, each classified within the facility such as clamping charges, impounding charges, obstruction charges, storage charges and towing charges as per the Finance Act.		
2	The system should provide a mechanism to book in a car that has been clamped and towed.		
3	The system should provide a mechanism that once the clamping, parking, impounding charges, storage charges and towing charges have been settled, an alert is sent to the officer asking for unclamping and releasing the car from the yard and updating the clamping book in the system accordingly.		
4	The system should be able to register both individual vehicles, businesses and Saccos		
5	The system should be able to link individual PSV vehicle and		

	owner to Saccos		
6	The system should be able to receive daily, monthly and yearly parking payments		
7	The system should be able to receive payments for reserved parking		
8	The system should be able to notify the client when parking fees are paid.		
9	The system should be able to notify county staff and clients when reserved parking is due.		
10	The system should be able to report the number of vehicles in a Sacco		
11	The system should be able to report the revenue per Sacco		
12	The system should be able to report the number of vehicles parked periodically.		
13	The system should be able to report the number of vehicles parked per revenue administration area.		
14	The system should be able to generate Vehicle Stickers at pay-point or from a client self-service Portal.		
15	The system should be able to suspend vehicle account for vehicles which have been reported grounded. This should go through a maker/checker approval process.		
16	The system should have provision for updating vehicle ownership and payment (including waivers and exemptions) details.		
17	The system should provide a statement on payments per vehicle with payment dates		

C. OUTDOOR ADVERTISING

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should be able to record the size of branding, billboards, and signage		
2	The system should be able to record the GIS location of branding, billboards and signage		
3	The system should be able to record the payment period of branding, billboards and signage		
4	The system should be able to link different branding, signages and billboards to an individual organization that owns them		
5	The system should be able to provide for categorization of billboards, branding and signages		
6	The system should be able to report the revenue per branding, signages and billboards categories		
7	The system should be able to report the number of branding,		

	signages and billboards per revenue administration center.		
8	The system should be able to capture the charges for branding, signage and billboards as per the Finance Act.		
9	The system should be able to generate interim and final invoices with ability to send email and sms notification		
10	The system should be able to generate penalties on branding, signages and billboards as per the Finance Act.		
11	The system should be able to provide a report of branding, billboards and signages with ability to filter based on duration, validity/ expiry, zones, sub-county etc.		
12	The system should support mobile advertisement such as flyers/ posters, banners, roadshows and activations.		
13	The system should be able to charge promotions based on geographical coverage and duration.		

D. PROPERTIES AND LAND RATES

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should have the ability to assess and reassess land and improvements using configurable assessment methods to determine revenue due (Land Assessment)		
2	The system should have the ability to store data for land values related to residential, commercial, industrial, multi-dwelling and agricultural land (Land Information)		
3	The system should have the ability to capture characteristics of land use based on pre-defined parameters for that land, that can be extended upon consideration by the county (Land Information)		
4	The system should have inbuilt GIS for location mapping (Land Information Sharing)		
5	The system should have the ability to link scanned documents to specific property records. (Land Information)		
6	The system should have the ability to export an image file directly for document storage. (Land Information)		
7	The system should have the ability to share applications/image files with other system users. (Land Information Sharing)		
8	The system should have the ability to associate electronic files with a system record, including but not limited to PDF, MS Word, MS Excel etc. (Land Information)		
9	The system should have the ability to maintain and search property ownership history for all parcels. This search should be linked to the defined citizen / entity account categorized accordingly. (Property Ownership)		

10	The system should have the ability to record sufficient property address information to include such items as location, street, etc. that is linked to the GIS system for geo location. (Property Ownership)		
11	The system should be able to register new properties (the system should have the ability to add a new parcel to the property history data for respective citizen / entity account)		
12	The system should be able to support transfer of land ownership.		
13	The system should support registration of Sectional Properties		
14	The system should be able to support subdivisions and amalgamation of properties (The system should have the ability to maintain complete, integrated parcel history for all splits and mergers of parcels of land)		
15	The system should have the ability to maintain property ownership history for all properties including when two or more parcels are combined into one parcel (Property Ownership)		
16	The system should have the ability to maintain original parcel ID on new parcels created from mergers or splits. (Property Ownership)		
17	The system should allow the option of linking all pertinent data automatically to the appropriate parcel. (Property Ownership)		
18	The system should incorporate an exemption module for worship places		
19	The system should have the ability to keep history of a record when the current legal owner of a property changes. (Property Ownership)		
20	The system should have the ability to record multiple transfers of a single parcel. (Property Ownership)		
21	The System should be able compute Principal and Interest as per the existing law and valuation roll.		
22	The system should have the ability to search the property history database by a variety of methods including current owner, previous parcel number, address etc. (Property Ownership)		
23	The system must enable each property/owner to be assigned to a calendar for billing. (Property Ownership)		
24	The system should be able to add and remove caveats.		
25	The system should be able to record the type of property i.e., commercial, residential, single dwelling etc.		
26	The system should be able to support change of land use		
27	The system should be able to automatically generate demand notices and send electronically to the property owners through		

	email and SMS.		
28	The system should support receipting of payments		
29	The system should support generation of clearance certificates		
30	The system should be able to report on the revenue collected per property type.		
31	The system should be able to report the number of properties		
32	The system should be able to report each property status, block and location		
33	The system should be able to produce each property statement		
34	The system should support computation of waiver based on a given percentage.		
35	The system should be able to produce demand notices for each property and for all due properties.		
36	The system should be able to report on total arrears on properties		
37	The system should be able to handle impounded properties for purposes of recovering rates arrears.		
38	The system should support multiple search parameters on property.		

E. PROPERTY RENT

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should be able to accept and process ad hoc payments for houses, market stalls/ slabs, shops, booking offices, public utilities, cold rooms etc. linked to the facilities configured and validated by the charge rates defined.		
2	The system should be able to accept and process periodic payments for market stalls linked to the facilities configured and validated by the charge rates defined. This process should create an account in the registration module for purposes of single view of the entity.		
3	The system should be able to support transfer of tenancy.		
4	The system should be able to register new stalls, rental houses, kiosks and toilets.		
5	The system should be able to produce detailed report on the revenue collected per category, payment statement, arrears etc.		
6	The system should be able to report on the status of stalls, rental houses, kiosks, toilets etc.		
7	The system should be able to produce demand notices for each stall, rental house, kiosk, toilet etc.		
8	The system should support SMS and email notification on payments		
9	The system should allow for updating of new properties.		

F. HIRE OF COUNTY ASSETS

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should provide for registration of all county assets with ability to edit, delete and add assets through a maker/ checker approval. The registration details should also include geo-reference.		
2	The system should provide for application, approval and allocation for county assets legible for hire as per the Finance Act. Successful allocation should be on vacant/ un-booked assets only.		
3	The system should be able to accept and process ad hoc payments for county assets linked to the facilities configured and validated by the charge rates as defined by the Finance Act.		
4	This process of hiring of county assets should create an account in the registration module for purposes of single view of the entity.		
5	The system should provide the status of the county asset		
6	The system should provide reports on county assets with ability to filter based on availability, location, zone, charge rate, officer in-charge of asset etc.		

G. FINES

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should have the ability to process requests for collection of fines as configured and validated by the charge rates defined in the Finance Act. The offences should be pulled from the case management module.		

H. PARK FEES

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should have the ability to process requests for collection of fees for use of public parks. The details of park and respective fees should be pulled from the configuration, information of the facility. Park fees include; camping, balloon landing, camping, film and photography, park entry, lodge tariff and levies.		

I. PUBLIC HEALTH SERVICES FEE

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should have a self-service facility to enable for online application or renewal for Public Health Licenses.		
2	The system should have an end-to-end health permit approval		

	workflow including site inspections		
3	The system should be able to issue Public Health licenses upon approval.		
4	The system should be able to report the number of Public Health licenses/permits issued per business entity		
5	The system should be able to notify county staff and citizens when Public Health licenses/permits are due in advance		
6	The system should provide a mechanism to Suspend/ cancel/ reinstate a food hygiene license on various health grounds. Details of the business should be captured in the suspension/cancellation/reinstating.		
7	The system should be able to report the number of Food Handlers Certificates issued.		
8	Food handlers should be able to book for clinical food handler's tests on-line and once tested be notified of the results.		
9	Food handlers should be able to print their permits from the self-service portal.		
10	The system should be able to notify county staff and citizens when their Food Handlers Certificates are due in advance. The notification should be done 14 days to expiry.		
11	The system should support application for certificates from individuals and organizations.		
12	The system should support all other public health fees and charges such as swimming pool, cemetery, school health, slaughterhouses etc. as per the Finance Act.		

J. FIRE LICENSES AND PERMITS.

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should have a self-service facility to enable for online application or renewal for Fire Licenses.		
2	The system should have an approval workflow for Fire licenses including site inspections		
3	The system should be able to issue interim license prior to inspection and final Fire licenses after inspection.		
4	The system should be able to report the number of Fire licenses/permits issued per business entity		

K. MARKET FEES/ROYALTIES/CESS etc.

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should have the ability to collect market		

	fees/royalties/cess etc. as per the County Finance Act.		
2	The system should be able to report on revenue collected in real-time		
3	The system should be able to demonstrate on collection trends for each revenue stream and individual collector		
4	The system should have the ability to supervise, monitor, and enforce revenue collection.		
5	The system should be able to reconcile collections and banking in real time		

L. LIQUOR LICENSES

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should have the ability to allow county citizens to apply/renew and pay for liquor licenses via self-service portal.		
2	The system should be able to register and track applications from all sub counties.		
3	Liquor licenses should be structured and coded as per Finance Act and Alcoholic Drinks Control Act (ADC), 2014 for ease of licensing and build harmony in issuance of licenses across the county		
4	The system should provide various approval process required in the entire liquor licenses application process such as sub-county regulation committee, inspection etc. before issuance of license.		
5	The system should be able to notify customers on status of their applications.		
6	The system should enable payment for licenses as per Finance Act.		
7	The system should be able to generate license. The generated license should include features such as barcodes, QR codes etc. that allow quick and accurate enforcement and inspection.		
8	The system should have reports; including licensed premises, payment details and status.		
9	The system should be able to record the GIS location of licensed premises		
10	The system should provide reports; all applications, application status (approved, pending, rejected, expired etc.), payment status, renewal dates etc.		
11	The system should incorporate the function of the Administrative Review Committee as per ADC Act, 2014		

M. PHYSICAL PLANNING AND DEVELOPMENT

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should have the ability to allow county citizens to apply and pay for the various applications as per the Finance Act via self-service portal.		
2	The system should provide for application, registration and approval process for Building Plans including Structural/ Engineering, Architectural Plan		
3	The system should provide for application and approval process for Planning Briefs/ Policy Documents including Change of Land Use, Extension of use, Renewal of lease, Extension of Lease, Subdivision, Amalgamation etc.		
4	The system should provide for application and approval process for Renovation including Major and Minor renovation.		
5	The system should provide for application and approval process for Alterations including Major and Minor alterations.		
6	The system should provide for application and approval process for Advertisement related applications such as underground cabling, canvas etc.		
7	The system should be able to capture the GIS location of property tied to an application		
8	The system should categorize applications based on risk; low, medium and high.		
9	The system have capability for enforcement where applicable. Include QR code on the approved plan, letter etc.		
10	The system should be able to generate letters (approved/ declined etc.), reports, plans, invoices and receipts where applicable.		
11	Provide billing process and payment for any of the application processing stages		
12	It should be able to provide various level of approvals as required within the application process		
13	The system should have the ability to attach documents where necessary.		
14	The system should provide reports on applications e.g. received, paid, approved, declined, validity etc.		
15	The system should be linked to the properties and land rates module to allow for checking of compliance with applicable rates		
16	The system should allow approved and validated professionals (i.e., architects, planners, surveyors, etc.) to upload relevant project documents in support of applications for approval		
17	The system should have digital workflows that allow each		

	application for approval to go through the various stages as stipulated by the Physical Planning Act.		
18	The system should be supported by a mobile application that enables inspectors and other officers to collect information and update the system.		

N. REPORTING / BUSINESS REPORTS

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should have the ability to generate flexible, reliable and consistent Real time revenue reporting based on the following minimum dimensions;		
1.1	• Revenue collected per department/ category /stream/zone/subcounty/revenue collector etc.		
1.2	• Revenue collected by various collection channel e.g., direct banking, mobile money etc.		
1.3	• Ability to filter by period i.e., daily, weekly, monthly, quarterly, yearly etc.		
1.4	• Collected revenue against expected revenue by revenue stream		
2	The system should have statistical and analytical tools to report on revenue performance and forecast e.g., Graph, charts		
3	The system should be able to search and report on transactions i.e. allow a quick find of specific transaction records to answer citizen payment queries		
4	The reporting tool should be accessible remotely via the web.		
5	System should provide detailed reports on logs of transactions as required		
6	The system should have the ability to export transaction information from the system in different formats E.g., pdf, word, Csv, Excel etc.		
7	The system should be able to provide an executive summary report on dashboard		
8	The system should be able to give analyzed reports using BI tools		
9	The system should be able to analyze multidimensional data sources in both web and MS office environments, flexible dashboards, mobility and a flexible, scalable platform		
10	The system should support role-based reporting		

O. PAYMENT CHANNELS

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should have the ability to provide multiple payment options across different providers including: a) Bank payments/Direct debit b) Mobile money from all major mobile money payment platforms (Safaricom Mpesa is mandatory) c) Agents etc.		

P. VERIFICATION/VALIDATION

S/NO	DESCRIPTION	C/NC	REMARKS
1	Ability to issue an electronic receipts/ permits with a reference number, barcode and QR that can be verified electronically by a user by use of scanners or though querying through a mobile device such as USSD, SMS, Mobile App, web application interface etc.		

Q. RECONCILIATION AND SETTLEMENT

S/NO	DESCRIPTION	C/NC	REMARKS
1	omatic reconciliation that allows matching of payments to account numbers and other identifiers		
2	ely direct credit to the CGK Revenue bank accounts		
3	port for multiple streams of revenue based on codes e.g land rates, advertisements, Trade license etc		
4	Ability to track reconciliation process and view any reconciled items.		

R. SYSTEM SECURITY/AUDIT TRAIL AND ADMINISTRATION

S/NO	DESCRIPTION	C/NC	REMARKS
1	Security Architecture The security concept shall include an explanation of the system architecture, describing how the functional components are distributed / localized in the architecture		
2	Security of Standard Platforms The security concept shall include the standard platforms (e.g. hardware, OS, middleware, applications and databases.		
3	Interface with other system		

	The requirements of the system concerning security of the network infrastructure (eg. DMZs) shall be described. If necessary, the requirements shall be adapted to the existing security infrastructure.		
4	Connection to public networks The security mechanisms to protect connections to public networks (e.g. firewalls, tunneling) shall be described		
5	Archive log files The process to archive log files shall be in a trustworthy way and for a configurable time according to resources and requirements		
6	Backup recommendations The supplier shall provide its back-up recommendations that will be validated by Client according to its needs (details of which data is saved, frequency of data modification, etc.).		
7	Authentication All third-party access shall use strong (2-factor) authentication.		
8	Remote user authentication The system shall provide a mechanism to authenticate any remote user (i.e. verification of network address, dial back mode etc.)		
9	Password Encryption All passwords stored in the system shall be appropriately encrypted. They shall not be written in any other file or database (i.e log or cookies cache, etc.)		
10	Interfaces outside the security domains Interfaces/Protocols should provide encryption and authentication, to commercial best practice standards, where the interfaces are exposed outside the security domain and for administrative access.		
11	The system shall provide an access control mechanism to be able to show which data entities/transactions any particular individual may read, modify or execute (given a user ID)		
12	Access Control Levels. The system shall provide the capability to create different access control levels (i.e admin, developer, end-user) according to ‘user-privileges’ and user roles/job descriptions.		
13	Data randomization on test systems Data used for system development and/or testing purposes shall not be the same as the data located on the production system. If that is technically not possible, any classified data shall be modified to ensure that it cannot identify a person, e.g randomize names. The security measures on the development system shall		

	be at least the same as the one on the production system. If the same development system is used for more than one application, data protection measures shall be included.		
14	Password re-set by administrators Only administrators have overall ability to reset a user's passwords upon request by the user.		
15	Inactive Accounts. The system shall provide the capability to lock/deactivate/suspend certain accounts/user ID either manually or automatically given some pre-defined actions/criteria (i.e period of inactivity)		
16	Unique User ID All users shall be allocated a unique user ID for the sole use of the individual.		
17	Unsuccessful logons The number of unsuccessful log-on attempts shall be limited to, at most, three attempts per session; afterwards the session will be terminated		
18	Logging of unsuccessful login attempts For a given user ID, after a set number of continuous unsuccessful log-on attempts (from different sessions) the account shall be time-locked suspended. (e.g 2 sessions x 3 incorrect logons for each session=max 6 trials). The temporary suspension action shall be documented in log file.		
19	Protection of security log files Security log files shall be protected against manual modification even by the super user. The methods applied have to be described. Access to audit logs shall be safeguarded to prevent any possible misuse or compromise (i.e. access limited to authorized personnel only through specific application or system tools).		
20	Export of audit logs The system shall provide the capability to export audit logs into database or word-processing formats.		
21	Security log reporting The system shall provide capability to select events that took place within specific range of dates and times. Select events where a specific user used a particular privilege, print a list of all possible access privileges.		
22	Alert on unauthorized or improper system use. The system shall provide the means to detect and alarm unauthorized or improper use of the system.		

23	A definition of the back-up plan (for both onsite and off-site) shall be provided according to the following four types of data: System (Operating System and Applications) Data (the data specific to each part of the system that is susceptible to being modified frequently. Database back-up Log (the set of traces on what is made on/from each part of the system)		

S. RISK MANAGEMENT

S/NO	DESCRIPTION	C/NC	REMARKS
1	The bidder shall describe approach to risk management showing how risk is identified, recorded, communicated, mitigated and monitored throughout the project		

T. CHANGE MANAGEMENT

S/NO	DESCRIPTION	C/NC	REMARKS
1	The bidder shall describe the approach to change management showing what would be impacted by change, suggesting ways of seamlessly transition without disrupting the operations of the county.		

U. SUPPORT PLAN

S/NO	DESCRIPTION	C/NC	REMARKS
1	The bidder should describe the approach to perming product support immediately after going live and thereafter. The approach must identify the resources required, the people involved the types of calls expected and what the bidder expects the county to do to make this happen. The bidder must take into consideration the existing investment in IT support by the county.		

V. ENFORCEMENT MODULE

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should have the ability to enforce revenue collection		

	using technology i.e., QR codes, bar codes, unique identifier, mobile applications etc.		

W. REVENUE COLLECTORS' MANAGEMENT

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should be able to manage revenue collectors and enforcement officers i.e., manage transfers, report when on leave or sick off.		

X. ACCOUNTABLE DOCUMENTS MANAGEMENT

S/NO	DESCRIPTION	C/NC	REMARKS
1	The system should be able to manage accountable documents associated with revenue collection e.g. Management of, invoice books, permit printing papers/books and other books that may be required in hard copies.		

Y. Others.

S/NO	DESCRIPTION	C/NC	REMARKS
1	Bidders may add any other relevant additional functional modules		

CHAPTER SIX

TRAINING

Training for use of the system is expected to satisfy the below requirements:

6.1 The overall objective of the training is to enable effective and efficient use of the system and pass over ownership to the County Government.

6.2 The technical user manual, User guides, Web based training materials, Quick Start Manuals and Job aids must be prepared by the Vendor and approved by CGK Team in line with the timeframes in chapter five.

6.3 The Vendor to develop different training methods which satisfies the various Subsets of training requirements for the targeted groups.

6.4 The methodology for training will be a mix of Instructor Led/Train the Trainer (TOT) sessions and practical sessions with strong emphasis on tracking various transactions from various revenue streams using various payment modes from initiation to reporting.

6.5 The training process must be continuous on a need basis throughout the contract period to take care of future upgrades and customizations of the revenue system.

6.6 The Training Deliverables should comprise presentations and documents outlining operational processes and procedures.

6.7 The Vendor must develop a means to evaluate the evidence of training.

6.8 There are six target groups categorized as follows:

6.8.1 Training for technical team (ICT Team) No. 30.

6.8.2 Training for super users (System Administrators and Revenue Administrators) No. 10.

6.8.3 Training for supervisors' No. 40.

6.8.4 Training for collectors No.400.

6.8.5 Training for enforcement team No.300.

6.8.6 Training for decision makers. No.50.

6.9 All costs arising from training as listed shall be facilitated by the Vendor:

6.9.1 Venue costs including stationary, meals and any other attendant venue costs

6.9.2 Cost of reproducing approved training materials.

6.9.3 Reimbursable costs incurred by the trainees as may be applicable

6.9.4 All costs that are incidental to and consequential upon provision of the training.

CHAPTER SEVEN

SUPPORT AND MAINTENANCE

The vendor will also be expected to support and maintain the solution: This will include: Providing a help line which users of the system can call to report any problems, providing upgrades, troubleshooting and fixes to the solution.

Provide 24/7/365 99% availability of the solution. A comprehensive Service Level Agreement (SLA) to be provided by the bidder.

CHAPTER EIGHT

SPECIAL CONDITIONS OF THE TENDER

Implementation and Deployment Plan

I. Implementation Period

The implementation period of the project shall be as defined in this document and the contract agreement wherein all the hardware, software, resources etc. should be installed/deployed.

II. **Phased Implementation**.

The Vendor should provide an implementation plan clearly outlining how each revenue module will be implemented within the first six months after contract signing. The implementation plan should also incorporate system integration with both existing county systems and third party service providers.

III. Pilot Implementation.

The Vendor shall pilot the solution in at least Kisumu City and one other sub county for at least one month before the full roll out.

IV. **Implementation Support**.

The Vendor shall be required to offer post implementation support throughout the contract period on a need basis.

Exit Clause

I. Termination of Contract

When there is a breach of contract by the Vendor for three consecutive months then the contract shall be terminated by CGK.
Upon termination of the Contract, the Vendor's authority to act in the area shall immediately cease.

II. Handing Over During Termination/End of Contract

At the end of the contract, CGK shall take possession of all the hardware, Software, data and other related systems as per the terms of reference document.

Solution Requirements

Technical responsive vendors will be required to make live presentation / demonstration prior to financial evaluation.

A. Implementation Schedule

i) Implementation Schedule Table

*[Specify **desired installation and acceptance dates for all items in Schedule below, modifying the sample line items and sample table entries as needed.]***

Line Item No.	Subsystem / Item	Configuration Table No.	Site / Site Code	Delivery (Tenderer to specify in the Preliminary Project Plan)	Installation (weeks from Effective Date)	Acceptance (weeks from Effective Date)	Liquidated Damages Milestone
0	Project Plan	- -	- -		- -	W_	no
1	Subsystem 1	1	___		- -	- -	- -
:	etc.						
x	Operational Acceptance of the System as an integrated whole	- -	all sites		- -	W__	yes
y	Recurrent Cost Items – Warranty Period	y	- -				

Note: The System Inventory Table(s) for the specific items and components that constitute the Subsystems or item. Refer to the Site Table(s) below for details regarding the site and the site code.
- - indicates not applicable. “Indicates repetition of table entry above.

II). SITE TABLE(S)

*[Specify: **the detailed information regarding the site(s) at which the System is to be operated**]*

Site Code	Site	City / Town / Region	Primary Street Address	Drawing Reference No. (if any)
HQ	Headquarters			
R1	Region 1			
R1.1	Region 1 Head Office			
R1.2	ABC Branch Office			
R1.3	DEF Branch Office			

III) TABLE OF HOLIDAYS AND OTHER NON – WORKING DAYS

*[Specify: **the days for each month for each year that are non-working days, due to Holidays or other business reasons (other than weekends).**]*

Month	20xy	20xy+1	20xy+2	....			...	20zz
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								

B. System Inventory Tables

Notes on preparing the System Inventory Tables

The System Inventory Tables detail:

a) for each Subsystem (Deliverable) indicated in the Implementation Schedule, the Information Technologies, Materials, and other Goods and Services that comprise the System to be supplied and/or performed by the Supplier;

b) the quantities of such Information Technologies, Materials, and other Goods and Services;

c) the sites and the location of each on a specific site (e.g., building, floor, room, department, etc.)

d) the cross references to the relevant section of the Technical Requirements where that item is described in greater detail.

The Procuring Entity should modify these tables, as required, to suit the particulars of the System (and Sub systems) to be supplied and installed. The sample text provided for various sections of the tables is illustrative only and should be modified or deleted as appropriate.

There are two sample formats given for the System Inventory Tables: one for the Supply and Installation cost items and the second for recurrent cost items needed (if any). The second version of the table permits the Procuring Entity to obtain price information about items that are needed during the Warranty Period.

A. System Inventory Table (Supply and Installation Cost ITEMS) [*insert: identifying NUMBER]*

Line-item number: [*specify: **relevant line-item number from the Implementation Schedule (e.g., 1.1)]***
*[as necessary for the supply and installation of the System, specify: **the detailed components and quantities in the System Inventory Table below for the line item specified above, modifying the sample components and sample table entries as needed.** Repeat the System Inventory Table as needed to cover each and every line item in the Implementation Schedule that requires elaboration.]*

Component No.	**Component**	**Relevant Technical Specifications No.**	**Additional Site Information (e.g., building, floor, department, etc.)**	**Quantity**
1.	Subsystem 1		- -	- -
1.1	_____			- -
:				
2.	Subsystem 2			- -
2.1	_____			- -
:				

Note: - - indicates not applicable. “indicates repetition of table entry above.

B. SYSTEM INVENTORY TABLE (RECURRENT COST ITEMS) [*INSERT: **IDENTIFYING NUMBER***]–

Line-item number: *[specify: **relevant line-item number from the Implementation Schedule (e.g., y.1)**]*

Component No.	Component	Relevant Technical Specifications No.	Y1	Y2	Y3
1.	Warranty Defect Repair		all items, all sites, included in the Supply and Install Price	all items, all sites, included in the Supply and Install Price	all items, all sites, included in the Supply and Install Price
2.	Software/Firmware Licenses and Updates:		all items, all sites, included in the Supply and Install Price	all items, all sites, included in the Supply and Install Price	all items, all sites, included in the Supply and Install Price
3.	Technical Services				
3.1	Sr. Systems Analyst		----days	----days	----days
3.2	Sr. Programmer		----days	----days	----days
3.3	Sr. Network Specialist, …. etc.		----days	----days	----days
	…				

Note: - indicates not applicable. “indicates repetition of table entry above.

PART 3 – CONDITIONS OF CONTRACT AND CONTRACT FORMS

Section VI - General Conditions of ContractC

General Conditions of Contract

A. CONTRACT AND INTERPRETATION

1. Definitions

1.1 In this Contract, the following terms shall be interpreted as indicated below.

a) Contract Elements

i) "Contract" means the Contract Agreement entered into between the Procuring Entity and the Supplier, together with the Contract Documents referred to therein. The Contract Agreement and the Contract Documents shall constitute the Contract, and the term "the Contract" shall in all such documents be construed accordingly.

ii) "Contract Documents" means the documents specified in Article1.1(Contract Documents) of the Contract Agreement (including any amendments to these Documents).

iii) "Contract Agreement" means the agreement entered into between the Procuring Entity and the Supplier using the form of Contract Agreement contained in the Sample Contractual Forms Section of the tender documents and any modifications to this form agreed to by the Procuring Entity and the Supplier. The date of the Contract Agreement shall be recorded in the signed form.

iv) "GCC" means the General Conditions of Contract.

v) "SCC" means the Special Conditions of Contract.

vi) "Technical Requirements" means the Technical Requirements in Section VII of the tendering documents.

vii) "Implementation Schedule" means the Implementation Schedule in Section VII of the tendering documents.

viii) "Contract Price" means the price or prices defined in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement.

ix) "Procurement Regulations" refers to the Regulations issued under the Public Procurement and Asset Disposal Act (2015).

x) "tendering documents" refers to the collection of documents issued by the Procuring Entity to instruct and inform potential suppliers of the processes for tendering, selection of the winning tender, and Contract formation, as well as the contractual conditions governing the relationship between the Procuring Entity and the Supplier. The General and Special Conditions of Contract, the Technical Requirements, and all other documents included in the tendering documents reflect the Procurement Regulations that the Procuring Entity is obligated to follow during procurement and administration of this Contract.

b) Entities

i) "Procuring Entity" means the entity purchasing the Information System, as **specified in the SCC.**

ii) "Project Manager" means the person **named as such in the SCC** or otherwise appointed by the Procuring Entity in the manner provided in GCC Clause 18.1 (Project Manager) to perform the duties delegated by the Procuring Entity.

iii) "Supplier" means the firm or Joint Venture whose tender to perform the Contract has been accepted by the Procuring Entity and is named as such in the Contract Agreement.

iv) "Supplier's Representative" means any person nominated by the Supplier and named as such in the Contract Agreement or otherwise approved by the Procuring Entity in the manner provided in GCC Clause18.2 (Supplier's Representative) to perform the duties delegated by the Supplier.

v) "Subcontractor" means any firm to whom any of the obligations of the Supplier, including preparation of any design or supply of any Information Technologies or other Goods or Services, is sub contracted directly or indirectly by the Supplier.

vi) "Adjudicator" means the person named in Appendix 2 of the Contract Agreement, appointed by agreement between the Procuring Entity and the Supplier to make a decision on or to settle any

Dispute between the Procuring Entity and the Supplier referred to him or her by the parties, pursuant to GCC Clause 43.1 (Adjudication).

c) Scope

i) "Information System," also called "the System," means all the Information Technologies, Materials, and other Goods to be supplied, installed, integrated, and made operational (exclusive of the Supplier's Equipment), together with the Services to be carried out by the Supplier under the Contract.

ii) "Subsystem" means any subset of the System identified as such in the Contract that may be supplied, installed, tested, and commissioned individually before Commissioning of the entire System.

iii) "Information Technologies" means all information processing and communications-related hardware, Software, supplies, and consumable items that the Supplier is required to supply and install under the Contract.

iv) "Goods" means all equipment, machinery, furnishings, Materials, and other tangible items that the Supplier is required to supply or supply and install under the Contract, including, without limitation, the Information Technologies and Materials, but excluding the Supplier's Equipment.

v) "Services" means all technical, logistical, management, and any other Services to be provided by the Supplier under the Contract to supply, install, customize, integrate, and make operational the System. Such Services may include, but are not restricted to, activity management and quality assurance, design, development, customization, documentation, transportation, insurance, inspection, expediting, site preparation, installation, integration, training, data migration, Pre-commissioning, Commissioning, maintenance, and technical support.

vi) "The Project Plan" means the document to be developed by the Supplier and approved by the Procuring Entity, pursuant to GCC Clause 19, based on the requirements of the Contract and the Preliminary Project Plan included in the Supplier's tender. The "Agreed Project Plan" is the version of the Project Plan approved by the Procuring Entity, in accordance with GCC Clause 19.2. Should the Project Plan conflict with the Contract in any way, the relevant provisions of the Contract, including any amendments, shall prevail.

vii) "Software" means that part of the System which are instructions that cause information processing Sub systems to perform in a specific manner or execute specific operations.

viii) "System Software" means Software that provides the operating and management instructions for the underlying hardware and other components, and is identified as such in Appendix 4 of the Contract Agreement and such other Software as the parties may agree in writing to be Systems Software. Such System Software includes, but is not restricted to, micro-code embedded in hardware (i.e., "firmware"), operating systems, communications, system and network management, and utility software.

ix) "General-Purpose Software" means Software that supports general-purpose office and software development activities and is identified as such in Appendix 4 of the Contract Agreement and such other Software as the parties may agree in writing to be General-Purpose Software. Such General- Purpose Software may include, but is not restricted to, word processing, spreadsheet, generic database management, and application development software.

x) "Application Software" means Software formulated to perform specific business or technical functions and interface with the business or technical users of the System and is identified as such in Appendix4 of the Contract Agreement and such other Software as the parties may agree in writing to be Application Software.

xi) "Standard Software" means Software identified as such in Appendix 4 of the Contract Agreement and such other Software as the parties may agree in writing to be Standard Software.

xii) "Custom Software" means Software identified as such in Appendix 4 of the Contract Agreement and such other Software as the parties may agree in writing to be Custom Software.

xiii) "Source Code" means the database structures, dictionaries, definitions, program source files, and any other symbolic representations necessary for the compilation, execution, and subsequent maintenance of the Software (typically, but not exclusively, required for Custom Software).

xiv) "Materials" means all documentation in printed or printable form and all instructional and informational aides in any form (including audio, video, and text) and on any medium, provided to the Procuring Entity under the Contract.

xv) "Standard Materials" means all Materials not specified as Custom Materials.

xvi) "Custom Materials" means Materials developed by the Supplier at the Procuring Entity's expense under the Contract and identified as such in Appendix 5 of the Contract Agreement and such other Materials as the parties may agree in writing to be Custom Materials. Custom Materials includes Materials created from Standard Materials.

xvii) "Intellectual Property Rights" means any and all copyright, moral rights, trademark, patent, and other intellectual and proprietary rights, title and interests worldwide, whether vested, contingent, or future, including without limitation all economic rights and all exclusive rights to reproduce, fix, adapt, modify, translate, create derivative works from, extractor re-utilize data from, manufacture, introduce into circulation, publish, distribute, sell, license, sub license, transfer, rent, lease, transmit or provide access electronically, broadcast, display, enter in to computer memory, or otherwise use any portion or copy, in whole or in part, in any form, directly or indirectly, or to authorize or assign others to do so.

xviii) "Supplier's Equipment" means all equipment, tools, apparatus, or things of every kind required in or for installation, completion and maintenance of the System that are to be provided by the Supplier, but excluding the Information Technologies, or other items forming part of the System.

d) Activities

i) "Delivery" means the transfer of the Goods from the Supplier to the Procuring Entity in accordance with the current edition Incoterms specified in the Contract.

ii) "Installation" means that the System or a Subsystem as specified in the Contract is ready for Commissioning as provided in GCC Clause 26 (Installation).

iii) "Pre-commissioning" means the testing, checking, and any other required activity that may be specified in the Technical Requirements that are to be carried out by the Supplier in preparation for Commissioning of the System as provided in GCC Clause 26 (Installation).

iv) "Commissioning" means operation of the System or any Subsystem by the Supplier following Installation, which operation is to be carried out by the Supplier as provided in GCC Clause27.1 (Commissioning), for the purpose of carrying out Operational Acceptance Test (s).

v) "Operational Acceptance Tests" means the tests specified in the Technical Requirements and Agreed Project Plan to be carried out to ascertain whether the System, or a specified Sub system, is able to attain the functional and performance requirements specified in the Technical Requirements and Agreed Project Plan, in accordance with the provisions of GCC Clause 27.2 (Operational Acceptance Test).

vi) "Operational Acceptance" means the acceptance by the Procuring Entity of the System (or any Subsystem(s) where the Contract provides for acceptance of the System in parts), in accordance with GCC Clause27.3(Operational Acceptance).

e) Place and Time

i) "Supplier's Country" is the country in which the Supplier is legally organized, as named in the Contract Agreement.

ii) **Unless otherwise specified in the SCC** "Project Site (s)" means the place (s) in the Site Table in the Technical Requirements Section for the supply and installation of the System.

iii) "Eligible Country" means the countries and territories eligible for participation in procurements.

iv) "Day" means calendar day of the Gregorian Calendar.

v) "Week" means seven (7) consecutive Days, beginning the day of the week as is customary in Kenya.

vi) "Month" means calendar month of the Gregorian Calendar.

vii) "Year" means twelve (12) consecutive Months.

viii) "Effective Date" means the date of fulfillment of all conditions specified in Article 3 (Effective Date for Determining Time for Achieving Operational Acceptance) of the Contract Agreement, for the purpose of determining the Delivery, Installation, and Operational Acceptance dates for the System or Sub system(s).

ix) "Contract Period" is the time period during which this Contract governs the relations and obligations of the Procuring Entity and Supplier in relation to the System, as **unless otherwise specified in the SCC,** the Contract shall continue in force until the Information System and all the Services have been provided, unless the Contract is terminated earlier in accordance with the terms set out in the Contract**.**

x) "Defect Liability Period" (also referred to as the "Warranty Period") means the period of validity of the warranties given by the Supplier commencing at date of the Operational Acceptance Certificate of the System or Sub system(s), during which the Supplier is responsible for defects with respect to the System (or the relevant Sub-system[s]) as provided in GCC Clause 29 (Defect Liability).

xi) "The Coverage Period" means the Days of the Week and the hours of those Days during which maintenance, operational, and/ or technical support services (if any) must be available.

xii) The Post-Warranty Services Period" means the number of years **defined in the SCC** (if any), following the expiration of the Warranty Period during which the Supplier may be obligated to provide Software licenses, maintenance, and/ or technical support services for the System, either under this Contractor under separate contract(s).

2. Contract Documents

2.1 Subject to Article 1.2 (Order of Precedence) of the Contract Agreement, all documents forming part of the Contract (and all parts of these documents) are intended to be correlative, complementary, and mutually explanatory. The Contract shall be read as a whole.

3. Interpretation

3.1 Governing Language

3.1.1 All Contract Documents and related correspondence exchanged between Procuring Entity and Supplier shall be written in **the English Language** of these tendering documents**,** and the Contract shall be construed and interpreted in accordance with that language.

3.1.2 If any of the Contract Documents or related correspondence are prepared in a language other than the English Language under GCC Clause 3.1.1 above, the translation of such documents into the **English** language shall prevail in matters of interpretation. The originating party, with respect to such documents shall bear the costs and risks of such translation.

3.2 Singular and Plural The singular shall include the plural and the plural the singular, except where the context otherwise requires.

3.3 **Headings**
The headings and marginal notes in the GCC are included for ease of reference and shall neither constitute a part of the Contract nor affect its interpretation.

3.4 Persons
Words importing persons or parties shall include firms, corporations, and government entities.

3.5 Incoterms
Unless inconsistent with any provision of the Contract, the meaning of any trade term and the rights and obligations of parties thereunder shall be as prescribed by the Incoterms.

Incoterms means international rules for interpreting trade terms published by the International Chamber of Commerce (latest edition), 38 Cours Albert 1er, 75008 Paris, France.

3.6 Entire Agreement
The Contract constitutes the entire agreement between the Procuring Entity and Supplier with respect to the subject matter of Contract and supersedes all communications, negotiations, and agreements (whether written or oral) of parties with respect to the subject matter of the Contract made prior to the date of Contract.

3.7 Amendment

No amendment or other variation of the Contract shall be effective unless it is in writing, is dated, expressly refers to the Contract, and is signed by a duly authorized representative of each party to the Contract.

3.8 Independent Supplier

The Supplier shall be an independent contractor performing the Contract. The Contract does not create any agency, partnership, joint venture, or other joint relationship between the parties to the Contract.

Subject to the provisions of the Contract, the Supplier shall be solely responsible for the manner in which the Contract is performed. All employees, representatives, or Sub contractors engaged by the Supplier in connection with the performance of the Contract shall be under the complete control of the Supplier and shall not be deemed to be employees of the Procuring Entity, and nothing contained in the Contractor in any sub contract awarded by the Supplier shall be construed to create any contractual relationship between any such employees, representatives, or Sub contractors and the Procuring Entity.

3.9 Joint Venture

If the Supplier is a Joint Venture of two or more firms, all such firms shall be jointly and severally bound to the Procuring Entity for the fulfillment of the provisions of the Contract and shall designate one of such firms to act as a leader with authority to bind the Joint Venture. The composition or constitution of the Joint Venture shall not be altered without the prior consent of the Procuring Entity.

3.10 Non-waiver

3.10.1 Subject to GCC Clause 3.10.2 below, no relaxation, forbearance, delay, or indulgence by either party in enforcing any of the terms and conditions of the Contractor the granting of time by either party to the other shall prejudice, affect, or restrict the rights of that party under the Contract, nor shall any waiver by either party of any breach of Contract operate as waiver of any subsequent or continuing breach of Contract.

3.10.2Any waiver of a party's rights, powers, or remedies under the Contract must be in writing, must be dated and signed by an authorized representative of the party granting such waiver, and must specify the right and the extent to which it is being waived.

3.11 Severability

If any provision or condition of the Contract is prohibited or rendered invalid or unenforceable, such prohibition, invalidity, or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of the Contract.

3.12 Country of Origin

"Origin" means the place where the Information Technologies, Materials, and other Goods for the System were produced or from which the Services are supplied. Goods are produced when, through manufacturing, processing, Software development, or substantial and major assembly or integration of components, a commercially recognized product results that is substantially different in basic characteristics or in purpose or utility from its components. The Origin of Goods and Services is distinct from the nationality of the Supplier and may be different.

4. Notices

4.1 Unless otherwise stated in the Contract, all notices to be given under the Contract shall be in writing and shall be sent, pursuant to GCC Clause 4.3 below, by personal delivery, air mail post, special courier, facsimile, electronic mail, or Electronic Data Interchange (EDI), with the following provisions.

4.1.1 Any notice sent by facsimile, electronic mail, or EDI shall be confirmed within two (2) days after dispatch by notice sent by air mail post or special courier, except as otherwise specified in the Contract.

4.1.2 Any notice sent by air mail post or special courier shall be deemed (in the absence of evidence of earlier receipt) to have been delivered ten (10) days after dispatch. In proving the fact of dispatch, it shall be sufficient to show that the envelope containing such notice was properly addressed, stamped, and conveyed to the postal authorities or courier service for transmission by air mail or special courier.

4.1.3 Any notice delivered personally or sent by facsimile, electronic mail, or EDI shall be deemed to have been delivered on the date of its dispatch.

4.1.4 Either party may change its postal, facsimile, electronic mail, or EDI addresses for receipt of such notices by ten (10) days' notice to the other party in writing.

4.2 Notices shall be deemed to include any approvals, consents, instructions, orders, certificates, information and other communication to be given under the Contract.

4.3 Pursuant to GCC Clause 18, notices from/to the Procuring Entity are normally given by, or addressed to, the Project Manager, while notices from/to the Supplier are normally given by, or addressed to, the Supplier's Representative, or in its absence its deputy if any. If there is no appointed Project Manager or Supplier's Representative (or deputy), or if their related authority is limited by the SCC for GCC Clauses 18.1 or 18.2.2, or for any other reason, the Procuring Entity or Supplier may give and receive notices at their fall back addresses. The address of the Project Manager and the fall back address of the Procuring Entity are as **specified in the SCC** or as subsequently established/ amended. The address of the Supplier's Representative and the fall back address of the Supplier are as specified in Appendix 1 of the Contract Agreement or as subsequently established/amended.

5. Governing Law

5.1 The Contract shall be governed by and interpreted in accordance with the laws of Kenya.

5.2 Throughout the execution of the Contract, the Supplier shall comply with the import of goods and services prohibitions in Kenya when

a As a matter of law or official regulations, Kenya prohibits commercial relations with that country; or

b by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, Kenya prohibits any import of goods from that country or any payments to any country, person, or entity in that country.

6 Fraud and Corruption

6.1 The Procuring Entity requires compliance with the laws of Kenya on Anti-Corruption Guidelines and its prevailing sanctions policies and procedures as set forth in its statutes.

6.2 The Procuring Entity requires the Suppliers to disclose any commissions or fees that may have been paid or are to be paid to agents or any other party with respect to the tendering process or execution of the Contract. The information disclosed must include at least the name and address of the agent or other party, the amount and currency, and the purpose of the commission, gratuity or fee.

B. SUBJECT MATTER OF CONTRACT

7 Scope of the System

7.1 Unless otherwise expressly **limited in the SCC** or Technical Requirements, the Supplier's obligations cover the provision fall Information Technologies, Materials and other Goods as well as the performance of all Services required for the design, development, and implementation (including procurement, quality assurance, assembly, associated site preparation, Delivery, Pre-commissioning, Installation, Testing, and Commissioning) of the System, in accordance with the plans, procedures, specifications, drawings, codes, and any other documents specified in the Contract and the Agreed Project Plan.

7.2 The Supplier shall, unless specifically excluded in the Contract, perform all such work and/or supply all such items and Materials not specifically mentioned in the Contract but that can be reasonably inferred from the Contract as being required for attaining Operational Acceptance of the System as if such work and/or items and Materials were expressly mentioned in the Contract.

7.3 The Supplier's obligations (if any) to provide Goods and Services as implied by the Recurrent Cost tables of the Supplier's tender, such as consumables, spare parts, and technical services (e.g., maintenance, technical assistance, and operational support), areas **specified in the SCC,** including the relevant terms, characteristics, and timings.

8 Time for Commencement and Operational Acceptance

8.1 The Supplier shall commence work on the System with in the period **specified in the SCC,** and without prejudice to GCC Clause 28.2, the Supplier shall there after proceed with the System in accordance with the time schedule specified in the Implementation Schedule and any refinements made in the Agreed Project Plan.

8.2 The Supplier shall achieve Operational Acceptance of the System (or Subsystem(s) where a separate time for Operational Acceptance of such Sub system (s) is specified in the Contract) in accordance with the time schedule specified in the Implementation Schedule and any refinements made in the Agreed Project Plan, or within such extended time to which the Supplier shall be entitled under GCC Clause 40 (Extension of Time for Achieving Operational Acceptance).

9 Supplier's Responsibilities

9.1 The Supplier shall conduct all activities with due care and diligence, in accordance with the Contract and with the skill and care expected of a competent provider of information technologies, information systems, support, maintenance, training, and other related services, or in accordance with best industry practices. In particular, the Supplier shall provide and employ only technical personnel who are skilled and experienced in the irrespective callings and supervisory staff who are competent to adequately supervise the work at hand.

9.2 The Supplier confirms that it has entered into this Contract on the basis of a proper examination of the data relating to the System provided by the Procuring Entity and on the basis of information that the Supplier could have obtained from a visual inspection of the site (if access to the site was available) and of other data readily available to the Supplier relating to the System as at the date twenty-eight (28) days prior to tender submission. The Supplier acknowledges that any failure to acquaint itself with all such data and information shall not relieve its responsibility for properly estimating the difficulty or cost of successfully performing the Contract.

9.3 The Supplier shall be responsible for timely provision of all resources, information, and decision making under its control that are necessary to reach a mutually Agreed Project Plan (pursuant to GCC Clause 19.2) within the time schedule specified in the Implementation Schedule. Failure to provide such resources, information, and decision-making may constitute grounds for termination pursuant to GCC Clause 41.2.

9.4 The Supplier shall acquire in its name all permits, approvals, and/or licenses from all local, state, or national government authorities or public service undertakings in Kenya that are necessary for the performance of the Contract, including, without limitation, visas for the Supplier's and Subcontractor's personnel and entry permits for all imported Supplier's Equipment. The Supplier shall acquire all other permits, approvals, and/or licenses that are not the responsibility of the Procuring Entity under GCC Clause 10.4 and that are necessary for the performance of the Contract.

9.5 The Supplier shall comply with all laws in force in Kenya. The laws will include all national, provincial, municipal, or other laws that affect the performance of the Contract and are binding upon the Supplier. The Supplier shall indemnify and hold harmless the Procuring Entity from and against any and all liabilities, damages, claims, fines, penalties, and expenses of whatever nature a rising or resulting from the violation of such laws by the Supplier or its personnel, including the Sub contractors and their personnel, but without prejudice to GCC Clause 10.1. The Supplier shall not indemnify the Procuring Entity to the extent that such liability, damage, claims, fines, penalties, and expenses were caused or contributed to by a fault of the Procuring Entity.

9.6 The Supplier shall, in all dealings with its labor and the labor of its Subcontractors currently employed on or connected with the Contract, pay due regard to all recognized festivals, official holidays, religious or other customs, and all local laws and regulations pertaining to the employment of labor.

9.7 Any Information Technologies or other Goods and Services that will be incorporated in or be required for the System and other supplies shall have their Origin, as defined in GCC Clause 3.12, in a country that shall be an Eligible Country, as defined in GCC Clause 1.1 (e) (iv).

9.8 Pursuant to paragraph 2.2e. of Appendix B to the General Conditions the Supplier shall permit and shall cause its subcontractors and sub-consultants to permit, the PPRA and/or persons appointed by the PPRA to inspect the Site and/or the accounts and records relating to the procurement process, selection and/or contract execution, and to have such accounts and records audited by auditors appointed by the PPRA if requested by the PPRA. The Supplier's and its Sub contractors' and sub-consultants' attention is drawn to Sub-Clause 6.1 which provides, inter alia, that acts intended to materially impede the exercise of the PPRA's inspection and audit rights constitute a prohibited practice subject to contract termination (as well as to a determination of in eligibility pursuant to the PPRA's prevailing sanctions procedures).

9.9 The Supplier shall conform to the sustainable procurement contractual provisions, if and as **specified in the SCC.**

9.10 **Unless otherwise specified in the SCC** the Supplier shall have no other Supplier responsibilities.

10 Procuring Entity's Responsibilities

10.1 The Procuring Entity shall ensure the accuracy of all information and/or data to be supplied by the Procuring Entity to the Supplier, except when otherwise expressly stated in the Contract.

10.2 The Procuring Entity shall be responsible for timely provision of all resources, information, and decision making under its control that are necessary to reach an Agreed Project Plan (pursuant to GCC Clause 19.2) within the time schedule specified in the Implementation Schedule. Failure to provide such resources, information, and decision making may constitute grounds for Termination pursuant to GCC Clause 41.3.1(b).

10.3 The Procuring Entity shall be responsible for acquiring and providing legal and physical possession of the site and access to it, and for providing possession of and access to all other are as reasonably required for the proper execution of the Contract.

10.4 If requested by the Supplier, the Procuring Entity shall use its best endeavors to assist the Supplier in obtaining in a timely and expeditious manner all permits, approvals, and/or licenses necessary for the execution of the Contract from all local, state, or national government authorities or public service undertakings that such authorities or under takings require the Supplier or Sub contractors or the personnel of the Supplier or Sub contractors, as the case may be, to obtain.

10.5 In such cases where the responsibilities of specifying and acquiring or upgrading telecommunications and/or electric power services falls to the Supplier, as specified in the Technical Requirements, SCC, Agreed Project Plan, or other parts of the Contract, the Procuring Entity shall use its best endeavors to assist the Supplier in obtaining such services in a timely and expeditious manner.

10.6 The Procuring Entity shall be responsible for timely provision of all resources, access, and information necessary for the Installation and Operational Acceptance of the System (including, but not limited to, any required telecommunications or electric power services), as identified in the Agreed Project Plan, except where provision of such items is explicitly identified in the Contract as being the responsibility of the Supplier. Delay by the Procuring Entity may result in an appropriate extension of the Time for Operational Acceptance, at the Supplier's discretion.

10.7 Unless otherwise specified in the Contractor agreed upon by the Procuring Entity and the Supplier, the Procuring Entity shall provide sufficient, properly qualified operating and technical personnel, as required by the Supplier to properly carry out Delivery, Pre-commissioning, Installation, Commissioning, and Operational Acceptance, at or before the time specified in the Implementation Schedule and the Agreed Project Plan.

10.8 The Procuring Entity will designate appropriate staff for the training courses to be given by the Supplier and shall make all appropriate logistical arrangements for such training as specified in the Technical Requirements, SCC, the Agreed Project Plan, or other parts of the Contract.

10.9 The Procuring Entity assumes primary responsibility for the Operational Acceptance Test (s) for the System, in accordance with GCC Clause 27.2, and shall be responsible for the continued operation of the System after Operational Acceptance. However, this shall not limit in anyway the Supplier's responsibilities after the date of Operational Acceptance otherwise specified in the Contract.

10.10 The Procuring Entity is responsible for performing and safely storing timely and regular backups of its data and Software in accordance with accepted data management principles, except where such responsibility is clearly assigned to the Supplier elsewhere in the Contract.

10.11 All costs and expenses involved in the performance of the obligations under this GCC Clause 10 shall be the responsibility of the Procuring Entity, save those to be incurred by the Supplier with respect to the performance of the Operational Acceptance Test (s), in accordance with GCC Clause 27.2.

10.12 **Unless otherwise specified in the SCC** the Procuring Entity shall have no other Procuring Entity responsibilities.

C. Payment

11 Contract Price

11.1 The Contract Price shall be as specified in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement.

11.2 Unless an adjustment clause is **provided for in the SCC,** the Contract Price shall be a firm lump sum not subject to any alteration, except in the event of a Change in the System pursuant to GCC Clause 39 or to other clauses in the Contract;

11.3 The Supplier shall be deemed to have satisfied itself as to the correctness and sufficiency of the Contract Price, which shall, except as otherwise provided for in the Contract, cover all its obligations under the Contract.

11.4 Where the contract price is different from the corrected tender price, in order to ensure the contractor is not paid less or more relative to the contract price (*which would be the tender price*), payment valuation certificates and variation orders on omissions and additions valued based on rates in the Bill of Quantities or schedule of rates in the Tender, will be adjusted by a plus or minus percentage. The percentage already worked out during tender evaluation is worked out as follows: *(corrected tender price–tender price)/ tender price X 100*.

12 Terms of Payment

12.1 The Supplier's request for payment shall be made to the Procuring Entity in writing, accompanied by an invoice describing, as appropriate, the System or Subsystem(s), Delivered, Pre-commissioned, Installed, and Operationally Accepted, and by documents submitted pursuant to GCC Clause 22.5 and upon fulfillment of other obligations stipulated in the Contract. The Contract Price shall be paid as **specified in the SCC.**

12.2 No payment made by the Procuring Entity herein shall be deemed to constitute acceptance by the Procuring Entity of the System or any Sub system (s).

12.3 Payments shall be made promptly by the Procuring Entity, but in no case later than (sixty (60) days after submission of a valid invoice and upon satisfactorily performance of the contractual obligations by the Supplier. In the event that the Procuring Entity fails to make any payment by its respective due date or within the period set forth in the Contract, the Procuring Entity shall pay to the Supplier interest on the amount of such delayed payment at the rate (s) **specified in the SCC** for the period of delay until payment has been made in full, whether before or after judgment or arbitration award.

12.4 Payments shall be made in the currency (ies) specified in the Contract Agreement, pursuant to GCC Clause 11. For Goods and Services supplied locally, payments shall be made **as specified in the SCC.**

12.5 **Unless otherwise specified in the SCC,** payment of the foreign currency portion of the Contract Price for Goods supplied from outside Kenya shall be made to the Supplier through an irrevocable Form of credit opened by an authorized bank in the Supplier's Country and will be payable on presentation of the appropriate documents. It is agreed that the Form of credit will be subject to Article10 of the latest revision of *Uniform Customs and Practice for Documentary Credits*, published by the International Chamber of Commerce, Paris.

13 Securities

13.1 **Issuance of Securities**
The Supplier shall provide the securities specified below in favor of the Procuring Entity at the times and in the amount, manner, and form specified below.

13.2 Advance Payment Security

a) Unless otherwise specified in the SCC, the Supplier shall provide within twenty-eight (28) days of the notification of Contract award an Advance Payment Security in the amount and currency of the Advance Payment specified in SCC for GCC Clause 12.1 above and valid until the System is Operationally Accepted.

b) The security shall be in the form provided in the tendering documents or in another form acceptable to the Procuring Entity. The amount of the security shall be reduced in proportion to the value of the System

executed by and paid to the Supplier from time to time and shall automatically become null and void when the full amount of the advance payment has been recovered by the Procuring Entity. **Unless otherwise specified in the SCC,** the reduction in value and expiration of the Advance Payment Security are calculated as follows:

P*a/(100-a), where "P" is the sum of all payments effected so far to the Supplier (excluding the Advance Payment), and "a" is the Advance Payment expressed as a percentage of the Contract Price pursuant to the SCC for GCC Clause12.1.

The security shall be returned to the Supplier immediately after its expiration.

13.3 Performance Security

13.3.1 The Supplier shall, within twenty-eight (28) days of the notification of Contract award, provide a security for the due performance of the Contract in the amount and currency **specified in the SCC**.

13.3.2 The security shall be a bank guarantee in the form provided in the Sample Contractual Forms Section of the tendering documents, or it shall be in another form acceptable to the Procuring Entity.

13.3.3 The security shall automatically become null and void once all the obligations of the Supplier under the Contract have been fulfilled, including, but not limited to, any obligations during the Warranty Period and any extensions to the period. The security shall be returned to the Supplier no later than twenty-eight (28) days after its expiration.

13.3.4 Upon Operational Acceptance of the entire System, the security shall be reduced to the amount specified in the SCC, on the date of the Operational Acceptance, so that the reduced security would only cover the remaining warranty obligations of the Supplier.

14 Taxes and Duties

14.1 For Goods or Services supplied from outside and inside Kenya, the Supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside Kenya and inside Kenya, and these duties or taxes shall be made part of the Contract Price in Article 2 of the Contract Agreement and the Price Schedule it refers to, in which case the duties and taxes will be the Supplier's responsibility.

14.2 For Goods or Services supplied locally, the Supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted Goods or Services to the Procuring Entity. The only exception are taxes or duties, such as value-added or sales tax or stamp duty as apply to, or are clearly identifiable, on the invoices and provided they apply in Kenya, and only if these taxes, levies and/or duties are also excluded from the Contract Price in Article 2 of the Contract Agreement and the Price Schedule it refers to.

14.3 If any tax exemptions, reductions, allowances, or privileges may be available to the Supplier in Kenya, the Procuring Entity shall use its best efforts to enable the Supplier to benefit from any such tax savings to the maximum allowable extent.

14.4 For the purpose of the Contract, it is agreed that the Contract Price specified in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement is based on the taxes, duties, levies, and charges prevailing at the date twenty-eight (28) days prior to the date of tender submission in Kenya (also called "Tax" in this GCC Clause 14.4). If any Tax rates are increased or decreased, a new Tax is introduced, an existing Tax is abolished, or any change in interpretation or application of any Tax occurs in the course of the performance of the Contract, which was or will be assessed on the Supplier, its Sub contractors, or their employees in connection with performance of the Contract, an equitable adjustment to the Contract Price shall be made to fully take into account any such change by addition to or reduction from the Contract Price, as the case may be.

D. Intellectual Property

15 Copyright

15.1 The Intellectual Property Rights in all Standard Software and Standard Materials shall remain vested in the owner of such rights.

15.2 The Procuring Entity agrees to restrict use, copying, or duplication of the Standard Software and Standard Materials in accordance with GCC Clause16, except that additional copies of Standard Materials may be made by the Procuring Entity for use within the scope of the project of which the System is apart, in the event that the Supplier does not deliver copies within thirty (30) days from receipt of a request for such Standard Materials.

15.3 The Procuring Entity's contractual rights to use the Standard Software or elements of the Standard Software may not be assigned, licensed, or otherwise transferred voluntarily except in accordance with the relevant license agreement or **unless otherwise specified in the SCC** to a legally constituted successor organization (e.g., a reorganization of a public entity formally authorized by the government or through a merger or acquisition of a private entity)**.**

15.4 **Unless otherwise specified in the SCC,** the Intellectual Property Rights in all Custom Software and Custom Materials specified in Appendices 4 and 5 of the Contract Agreement (if any) shall, at the date of this Contractor on creation of the rights (if later than the date of this Contract), vest in the Procuring Entity. The Supplier shall do and execute or arrange for the doing and executing of each necessary act, document, and thing that the Procuring Entity may consider necessary or desirable to perfect the right, title, and interest of the Procuring Entity in and to those rights. In respect of such Custom Software and Custom Materials, the Supplier shall ensure that the holder of am or alright in such an item does not assert it, and the Supplier shall, if requested to do so by the Procuring Entity and where permitted by applicable law, ensure that the holder of such a moral right waives it.

15.5 **Unless otherwise specified in the SCC**, escrow arrangements shall NOT be required.

16 Software License Agreements

16.1 Except to the extent that the Intellectual Property Rights in the Software vest in the Procuring Entity, the Supplier here by grants to the Procuring Entity license to access and use the Software, including all inventions, designs, and marks embodied in the Software.
Such license to access and use the Software shall:

a) be:

i. non-exclusive;

ii. fully paid up and irrevocable (except that it shall terminate if the Contract terminates under GCC Clauses 41.1 or 41.3);

iii. **unless otherwise specified in the SCC** valid throughout Kenya;

iv. **unless otherwise specified in the SCC subject** to NO additional restrictions.

b) Permit the Software to be:

i. used or copied for use on or with the computer(s) for which it was acquired (if specified in the Technical Requirements and/or the Supplier's tender), plus a backup computer(s) of the same or similar capacity, if the primary is (are) in operative, and during a reasonable transitional period when use is being transferred between primary and back up;

ii. used or copied for use on or transferred to are placement computer (s), (and use on the original and replacement computer(s) may be simultaneous during a reasonable transitional period) provided that, if the Technical Requirements and/or the Supplier's tender specifies a class of computer to which the license is restricted, the replacement computer (s) is (are) within that class;

iii. if the nature of the System is such as to permit such access, accessed from other computers connected to the primary and/or back up computer (s) by means of a local or wide-area network or similar arrangement, and used on or copied for use on those other computers to the extent necessary to that access;

iv. reproduced for safe keeping or back up purposes;

v. customized, adapted, or combined with other computer software for use by the Procuring Entity, provided that derivative software incorporating any substantial part of the delivered, restricted Software shall be subject to same restrictions as a reset forth in this Contract;

vi. **unless otherwise specified in the SCC,** disclosed to, and reproduced for use by, support service suppliers and their sub-contractors, (and the Procuring Entity may sub-license such persons to use and copy for use the Software) to the extent reasonably necessary to the performance of their support service contracts, subject to the same restrictions as a reset forth in this Contract; and

vii. **unless otherwise specified in the SCC** disclosed to, and reproduced for use by, NO other parties.

16.2 TheSupplierhastherighttoauditttheStandardSoftwaretoverifycompliancewiththeabovelicenseagreements. **Unless otherwise specified in the SCC**, the Procuring Entity will make available to the Supplier, within seven (7) days of a written request, accurate and up-to-date records of the number and location of copies, the number of authorized users, or any other relevant data required to demonstrate use of the Standard Software as per the license agreement. If and only if, expressly agreed in writing between the Procuring Entity and the Supplier, Procuring Entity will allow, under a pre-specified agreed procedure, the execution of embedded software functions under Supplier's control, and unencumbered transmission of resulting information on software usage.

17 Confidential Information

17.1 **Unless otherwise specified in the SCC,** the" Receiving Party" (either the Procuring Entity or the Supplier) shall keep confidential and shall not, without the written consent of the other party to this Contract ("the Disclosing Party"), divulge to any third party any documents, data, or other information of a confidential nature ("Confidential Information") connected with this Contract, and furnished directly or indirectly by the Disclosing Party prior to or during performance, or following termination, of this Contract.

17.2 For the purposes of GCC Clause 17.1, the Supplier is also deemed to be the Receiving Party of Confidential Information generated by the Supplier itself in the course of the performance of its obligations under the Contract and relating to the businesses, finances, suppliers, employees, or other contacts of the Procuring Entity or the Procuring Entity's use of the System.

17.3 Notwithstanding GCC Clauses 17.1 and 17.2:

a) the Supplier may furnish to its Subcontractor Confidential Information of the Procuring Entity to the extent reasonably required for the Subcontractor to perform its work under the Contract; and

b) the Procuring Entity may furnish Confidential Information of the Supplier: (i) to its support service suppliers and their subcontractors to the extent reasonably required for them to perform their work under their support service contracts; and (ii) to its affiliates and subsidiaries, in which event the Receiving Party shall ensure that the person to whom it furnishes Confidential Information of the Disclosing Party is aware of and a tenderer by the Receiving Party's obligations under this GCC Clause 17 as if that person were party to the Contract in place of the Receiving Party.

17.4 The Procuring Entity shall not, without the Supplier's prior written consent, use any Confidential Information received from the Supplier for any purpose other than the operation, maintenance and further development of the System. Similarly, the Supplier shall not, without the Procuring Entity's prior written consent, use any Confidential Information received from the Procuring Entity for any purpose other than those that are required for the performance of the Contract.

17.5 The obligation of a party under GCC Clauses 17.1 through 17.4 above, however, shall not apply to that information which:

a) Now or hereafter enters the public domain through no fault of the Receiving Party;
b) can be proven to have been possessed by the Receiving Party at the time of disclosure and that was not previously obtained, directly or indirectly, from the Disclosing Party;
c) otherwise lawfully becomes available to the Receiving Party from a third party that has no obligation of confidentiality.

17.6 The above provisions of this GCC Clause17 shall not in any way modify any undertaking of confidentiality given by either of the parties to this Contract prior to the date of the Contract in respect of the System or any part thereof.

17.7 **Unless otherwise specified in the SCC**, the provisions of this GCC Clause17 shall survive the termination, for whatever reason, of the Contract for three (3) years.

E. Supply, Installation, Testing, Commissioning, and Acceptance of the System

18 Representatives

18.1 **Project Manager**

If the Project Manager is not named in the Contract, then within fourteen (14) days of the Effective Date, the Procuring Entity shall appoint and notify the Supplier in writing of the name of the Project Manager. The

Procuring Entity may from time to time appoint some other person as the Project Manager in place of the person previously so appointed and shall give a notice of the name of such other person to the Supplier without delay. No such appointment shall be made at such a time or in such a manner as to impede the progress of work on the System. Such appointment shall take effect only upon receipt of such notice by the Supplier. **Unless otherwise specified in the SCC** (if any), the Project Manager shall have the authority to represent the Procuring Entity on all day-to-day matters relating to the System or arising from the Contract, and shall normally be the person giving or receiving notices on behalf of the Procuring Entity pursuant to GCC Clause4.

18.2 Supplier's Representative

18.2.1 If the Supplier's Representative is not named in the Contract, then with in fourteen (14) days of the Effective Date, the Supplier shall appoint the Supplier's Representative and shall request the Procuring Entity in writing to approve the person so appointed. The request must be accompanied by a detailed curriculum vitae for the nominee, as well as a description of any other System or non-System responsibilities the nominee would retain while performing the duties of the Supplier's Representative. If the Procuring Entity does not object to the appointment within fourteen (14) days, the Supplier's Representative shall be deemed to have been approved. If the Procuring Entity objects to the appointment within fourteen (14) days giving the reason therefor, then the Supplier shall appoint a replacement within fourteen (14) days of such objection in accordance with this GCC Clause 18.2.1.

18.2.2 **Unless otherwise specified in the SCC** (if any), the Supplier's Representative shall have the authority to represent the Supplier on all day-to-day matters relating to the System or arising from the Contract, and shall normally be the person giving or receiving notices on behalf of the Supplier pursuant to GCC Clause 4.

18.2.3The Supplier shall not revoke the appointment of the Supplier's Representative without the Procuring Entity's prior written consent, which shall not be unreasonably withheld. If the Procuring Entity consents to such an action, the Supplier shall appoint another person of equal or superior qualifications as the Supplier's Representative, pursuant to the procedure set out in GCC Clause 18.2.1.

18.2.4 The Supplier's Representative and staff are obliged to work closely with the Procuring Entity's Project Manager and staff, act within their own authority, and a tenderer by directives issued by the Procuring Entity that are consistent with the terms of the Contract. The Supplier's Representative is responsible for managing the activities of its personnel and any subcontracted personnel.

18.2.5 The Supplier's Representative may, subject to the approval of the Procuring Entity (which shall not be unreasonably withheld), at any time delegate to any person any of the powers, functions, and authorities vested in him or her. Any such delegation may be revoked at any time. Any such delegation or revocation shall be subject to a prior notice signed by the Supplier's Representative and shall specify the powers, functions, and authorities there by delegated or revoked. No such delegation or revocation shall take effect unless and until the notice of it has been delivered.

18.2.6 Any act or exercise by any person of powers, functions and authorities so delegated to him or her in accordance with GCC Clause18.2.5shall be deemed to be an act or exercise by the Supplier's Representative.

18.3 Objections and Removals

18.3.1 The Procuring Entity may by notice to the Supplier object to any representative or person employed by the Supplier in the execution of the Contract who, in the reasonable opinion of the Procuring Entity, may have behaved inappropriately, be incompetent, or be negligent. The Procuring Entity shall provide evidence of the same, where upon the Supplier shall remove such person from work on the System.

18.3.2 If any representative or person employed by the Supplier is removed in accordance with GCC Clause18.3.1, the Supplier shall, where required, promptly appoint a replacement.

19 Project Plan

19.1 In close cooperation with the Procuring Entity and based on the Preliminary Project Plan included in the Supplier's tender, the Supplier shall develop a Project Plan encompassing the activities specified in the Contract. The contents of the Project Plan shall be as **specified in the SCC** and/ or Technical Requirements.

19.2 **Unless otherwise specified in the SCC**, within thirty (30) days from the Effective Date of the Contract, the Supplier shall present a Project Plan to the Procuring Entity. The Procuring Entity shall, within fourteen (14) days of receipt of the Project Plan, notify the Supplier of any respects in which it considers that the Project Plan does not adequately ensure that the proposed program of work, proposed methods, and/or proposed Information Technologies will satisfy the Technical Requirements and/or the SCC (in this Clause 19.2 called "non-conformities" below). The Supplier shall, within five (5) days of receipt of such notification, correct the Project Plan and resubmit to the Procuring Entity. The Procuring Entity shall, within five (5) days of resubmission of the Project Plan, notify the Supplier of any remaining non-conformities. This procedure shall be repeated as necessary until the Project Plan is free from non-conformities. When the Project Plan is free from non-conformities, the Procuring Entity shall provide confirmation in writing to the Supplier. This approved Project Plan ("the Agreed Project Plan") shall be contractually binding on the Procuring Entity and the Supplier.

19.3 If required, the impact on the Implementation Schedule of modifications agreed during finalization of the Agreed Project Plan shall be incorporated in the Contract by amendment, in accordance with GCC Clauses 39 and 40.

19.4 The Supplier shall undertake to supply, install, test, and commission the System in accordance with the Agreed Project Plan and the Contract.

19.5 **Unless otherwise specified in the SCC**, the Supplier shall submit to the Procuring Entity Monthly Progress Reports summarizing:

i) Results accomplished during the prior period;

ii) cumulative deviations to date from schedule of progress milestones as specified in the Agreed Project Plan;

iii) corrective actions to be taken to return to planned schedule of progress; proposed revisions to planned schedule;

iv) other issues and outstanding problems; proposed actions to be taken;

v) resources that the Supplier expects to be provided by the Procuring Entity and/ or actions to be taken by the Procuring Entity in the next reporting period;

vi) other issues or potential problems the Supplier foresees that could impact on project progress and/or effectiveness.

19.6 The Supplier shall submit to the Procuring Entity other (periodic) reports **as specified in the SCC**.

20 Sub-contracting

20.1 Appendix 3 (List of Approved Subcontractors) to the Contract Agreement specifies critical items of supply or services and a list of Subcontractors for each item that are considered acceptable by the Procuring Entity. If no Subcontractors are listed for an item, the Supplier shall prepare a list of Subcontractors it considers qualified and wishes to be added to the list for such items. The Supplier may from time to time propose additions to or deletions from any such list. The Supplier shall submit any such list or any modification to the list to the Procuring Entity for its approval insufficient time so as not to impede the progress of work on the System. The Procuring Entity shall not withhold such approval unreasonably. Such approval by the Procuring Entity of a Subcontractor (s) shall not relieve the Supplier from any of its obligations, duties, or responsibilities under the Contract.

20.2 The Supplier may, at its discretion, select and employ Subcontractors for such critical items from those Subcontractors listed pursuant to GCC Clause 20.1. If the Supplier wishes to employ a Subcontractor not so listed, or subcontract an item not so listed, it must seek the Procuring Entity's prior approval under GCC Clause 20.3.

20.3 For items for which pre-approved Subcontractor lists have not been specified in Appendix 3 to the Contract Agreement, the Supplier may employ such Subcontractors as it may select, provided: (i) the Supplier notifies the Procuring Entity in writing at least twenty-eight (28) days prior to the proposed mobilization date for such Subcontractor; and (ii) by the end of this period either the Procuring Entity has granted its approval in writing or fails to respond. The Supplier shall not engage any Subcontract or to which the Procuring Entity has objected in writing prior to the end of the notice period. The absence of a written objection by the Procuring Entity during the above specified period shall constitute formal acceptance of the proposed Subcontractor. Except to the extent that it permits the deemed approval of the Procuring Entity of Subcontractors not listed in the Contract Agreement, nothing in this Clause, however, shall limit the rights and obligations of either the Procuring Entity or Supplier as they are specified in GCC Clauses

20.1 and 20.2, or in Appendix3 of the Contract Agreement.

21 Design and Engineering

21.1 Technical Specifications and Drawings

21.1.1 The Supplier shall execute the basic and detailed design and the implementation activities necessary for successful installation of the System in compliance with the provisions of the Contractor, where not so specified, in accordance with good industry practice.

The Supplier shall be responsible for any discrepancies, errors or omissions in the specifications, drawings, and other technical documents that it has prepared, whether such specifications, drawings, and other documents have been approved by the Project Manager or not, provided that such discrepancies, errors, or omissions are not because of in accurate information furnished in writing to the Supplier by or on behalf of the Procuring Entity.

21.1.2 The Supplier shall be entitled to disclaim responsibility for any design, data, drawing, specification, or other document, or any modification of such design, drawings, specification, or other documents provided or designated by or on behalf of the Procuring Entity, by giving a notice of such disclaimer to the Project Manager.

21.2 Codes and Standards

Wherever references are made in the Contract to codes and standards in accordance with which the Contract shall be executed, the edition or the revised version of such codes and standards current at the date twenty-eight (28) days prior to date of tender submission shall apply. During Contract execution, any changes in such codes and standards shall be applied after approval by the Procuring Entity and shall be treated in accordance with GCC Clause 39.3.

21.3 Approval/ Review of Controlling Technical Documents by the Project Manager

21.3.2 **Unless otherwise specified in the SCC**, there will NO Controlling Technical Documents required. However, **if the SCC specifies** Controlling Technical Documents, the Supplier shall prepare and furnish such documents for the Project Manager's approval or review.

Any part of the System covered by or related to the documents to be approved by the Project Manager shall be executed only after the Project Manager's approval of these documents.

GCC Clauses 21.3.2 through 21.3.7 shall apply to those documents requiring the Project Manager's approval, but not to those furnished to the Project Manager for its review only.

21.3.3 Within fourteen (14) days after receipt by the Project Manager of any document requiring the Project Manager's approval in accordance with GCC Clause 21.3.1, the Project Manager shall either return one copy of the document to the Supplier with its approval endorsed on the document or shall notify the Supplier in writing of its disapproval of the document and the reasons for disapproval and the modifications that the Project Manager proposes. If the Project Manager fails to take such action within the fourteen (14) days, then the document shall be deemed to have been approved by the Project Manager.

21.3.4 The Project Manager shall not disapprove any document except on the grounds that the document does not comply with some specified provision of the Contract or that it is contrary to good industry practice.

21.3.5 If the Project Manager disapproves the document, the Supplier shall modify the document and resubmit it for the Project Manager's approval in accordance with GCC Clause 21.3.2. If the Project Manager approves the document subject to modification(s), the Supplier shall make the required modification(s), and the document shall then be deemed to have been approved, subject to GCC Clause 21.3.5. The procedure set out in GCC Clauses 21.3.2 through 21.3.4 shall be repeated, as appropriate, until the Project Manager approves such documents.

21.3.6 If any dispute occurs between the Procuring Entity and the Supplier in connection with or arising out of the disapproval by the Project Manager of any document and/ or any modification (s) to a document that cannot be settled between the parties within a reasonable period, then, in case the Contract Agreement includes and names an Adjudicator, such dispute may be referred to the Adjudicator for determination in accordance with GCC Clause 43.1 (Adjudication). If such dispute is referred to an Adjudicator, the Project Manager shall give instructions as to whether and if so, how, performance of the Contract is to proceed. The Supplier shall proceed with the Contract in accordance with the Project Manager's instructions, provided that if the Adjudicator upholds the Supplier's view on the dispute and if the Procuring Entity has not given notice under GCC Clause 43.1.2, then the Supplier shall be reimbursed by the Procuring Entity for any additional costs incurred by reason of such instructions and shall be relieved of such responsibility or liability in connection with the dispute and the execution of the instructions as the Adjudicator shall decide, and the Time for Achieving Operational Acceptance shall be extended accordingly.

21.3.7 The Project Manager's approval, with or without modification of the document furnished by the Supplier, shall not relieve the Supplier of any responsibility or liability imposed upon it by any provisions of the Contract except to the extent that any subsequent failure results from modifications required by the Project Manager or inaccurate information furnished in writing to the Supplier by or on behalf of the Procuring Entity.

21.3.8 The Supplier shall not depart from any approved document unless the Supplier has first submitted to the Project Manager an amended document and obtained the Project Manager's approval of the document, pursuant to the provisions of this GCC Clause 21.3. If the Project Manager requests any change in any already approved document and/or in any document based on such an approved document, the provisions of GCC Clause 39 (Changes to the System) shall apply to such request.

22 Procurement, Delivery, and Transport

22.1 Subject to related Procuring Entity's responsibilities pursuant to GCC Clauses 10 and 14, the Supplier shall manufacture or procure and transport all the Information Technologies, Materials, and other Goods in an expeditious and orderly manner to the Project Site.

22.2 Delivery of the Information Technologies, Materials, and other Goods shall be made by the Supplier in accordance with the Technical Requirements.

22.3 Early or partial deliveries require the explicit written consent of the Procuring Entity; which consent shall not be unreasonably withheld.

22.4 Packaging and Transportation

22.4.1 The Supplier shall provide such packing of the Goods as is required to prevent their damage or deterioration during shipment. The packing, marking, and documentation within and outside the packages shall comply strictly with the Procuring Entity's instructions to the Supplier.

22.4.2 The Supplier will bear responsibility for and cost of transport to the Project Sites in accordance with the terms and conditions used in the specification of prices in the Price Schedules, including the terms and conditions of the associated Inco terms.

22.4.3 **Unless otherwise specified in the SCC,** the Supplier shall be free to use transportation through carriers registered in any eligible country and to obtain insurance from any eligible source country.

Unless otherwise specified in the SCC, the Supplier will provide the Procuring Entity with shipping and other documents, as specified below:

22.4.4 For Goods supplied from outside Kenya:
Upon shipment, the Supplier shall notify the Procuring Entity and the insurance company contracted by the Supplier to provide cargo insurance by cable, facsimile, electronic mail, or EDI with the full details of the shipment. The Supplier shall promptly send the following documents to the Procuring Entity by mail or courier, as appropriate, with a copy to the cargo insurance company:

a Two copies of the Supplier's invoice showing the description of the Goods, quantity, unit price, and total amount;
b usual transportation documents;
c insurance certificate;
d certificate (s) of origin; and
e estimated time and point of arrival in Kenya and at the site.

25.5.2 For Goods supplied locally (i.e., from within Kenya):

Upon shipment, the Supplier shall notify the Procuring Entity by cable, facsimile, electronic mail, or EDI with the full details of the shipment. The Supplier shall promptly send the following documents to the Procuring Entity by mail or courier, as appropriate:

a Two copies of the Supplier's invoice showing the Goods' description, quantity, unit price, and total amount;
b Delivery note, railway receipt, or truck receipt;
c certificate of insurance;
d certificate (s) of origin; and
e estimated time of arrival at the site.

25.6 Customs Clearance

a) The Procuring Entity will bear responsibility for, and cost of, customs clearance into Kenya in accordance with the particular Incoterm(s) used for Goods supplied from outside Kenya in the Price Schedules referred to by Article2 of the Contract Agreement.

b) At the request of the Procuring Entity, the Supplier will make available a representative or agent during the process of customs clearance in Kenya for goods supplied from outside Kenya. In the event of delays in customs clearance that are not the fault of the Supplier:

i) the Supplier shall be entitled to an extension in the Time for Achieving Operational Acceptance, pursuant to GCC Clause40;

ii) the Contract Price shall be adjusted to compensate the Supplier for any additional storage charges that the Supplier may incur as a result of the delay.

23 Product Upgrades

23.1 At any point during performance of the Contract, should technological advances be introduced by the Supplier for Information Technologies originally offered by the Supplier in its tender and still to be delivered, the Supplier shall be obligated to offer to the Procuring Entity the latest versions of the available Information Technologies having equal or better performance or functionality at the same or lesser unit prices, pursuant to GCC Clause39 (Changes to the System).

23.2 At any point during performance of the Contract, for Information Technologies still to be delivered, the Supplier will also pass on to the Procuring Entity any cost reductions and additional and/ or improved support and facilities that it offers to other clients of the Supplier in Kenya, pursuant to GCC Clause39 (Changes to the System).

23.3 During performance of the Contract, the Supplier shall offer to the Procuring Entity all new versions, releases, and updates of Standard Software, as well as related documentation and technical support services, within thirty (30) days of their availability from the Supplier to other clients of the Supplier in Kenya, and no later than twelve (12) months after they are released in the country of origin. In no case will the prices for these Software exceed those quoted by the Supplier in the Recurrent Costs tables in its tender.

23.4 **Unless otherwise specified in the SCC,** during the Warranty Period, the Supplier will provide at no additional cost to the Procuring Entity all new versions, releases, and updates for all Standard Software that are used in the System, within thirty (30) days of their availability from the Supplier to other clients of the Supplier in Kenya, and no later than twelve (12) months after they are released in the country of origin of the Software.

23.5 The Procuring Entity shall introduce all new versions, releases or updates of the Software within eighteen (18) months of receipt of a production-ready copy of the new version, release, or update, provided that the new version, release, or update does not adversely affect System operation or performance or require extensive reworking of the System. In cases where the new version, release, or update adversely affects System operation or performance, or requires extensive reworking of the System, the Supplier shall continue to support and maintain the version or release previously in operation for as long as necessary to allow introduction of the new version, release, or update. In no case shall the Supplier stop supporting or maintaining a version or release of the Software less than twenty-four (24) months after the Procuring Entity receives a production-ready copy of a subsequent version, release, or update. The Procuring Entity shall use all reasonable endeavors to implement any new version, release, or update as soon as practicable, subject to the twenty-four-month-long stop date.

24 Implementation, Installation, and Other Services

24.1 The Supplier shall provide all Services specified in the Contract and Agreed Project Plan in accordance with the highest standards of professional competence and integrity.

24.2 Prices charged by the Supplier for Services, if not included in the Contract, shall be agreed upon in advance by the parties (including, but not restricted to, any prices submitted by the Supplier in the Recurrent Cost Schedules of its Tender) and shall not exceed the prevailing rates charged by the Supplier to other Procuring Entity's in Kenya for similar services.

25 Inspections and Tests

25.1 The Procuring Entity or its representative shall have the right to inspect and/or test any components of the System, as specified in the Technical Requirements, to confirm their good working order and/ or conformity to the Contract at the point of delivery and/ or at the Project Site.

25.2 The Procuring Entity or its representative shall be entitled to attend any such inspections and/or tests of the components, provided that the Procuring Entity shall bear all costs and expenses incurred in connection with such attendance, including but not limited to all inspection agent fees, travel, and related expenses.

25.3 Should the inspected or tested components fail to conform to the Contract, the Procuring Entity may reject the component (s), and the Supplier shall either replace the rejected component (s), or make alterations as necessary so that it meets the Contract requirements free of cost to the Procuring Entity.

25.4 The Project Manager may require the Supplier to carry out any inspection and/or test not specified in the Contract, provided that the Supplier's reasonable costs and expenses incurred in the carrying out of such inspection and/ or test shall be added to the Contract Price. Further, if such inspection and/ or test impedes the progress of work on the System and/or the Supplier's performance of its other obligations under the Contract, due allowance will be made in respect of the Time for Achieving Operational Acceptance and the other obligations so affected.

25.5 If any dispute shall arise between the parties in connection with or caused by an inspection and/ or with regard to any component to be incorporated in the System that cannot be settled amicably between the parties within a reasonable period of time, either party may invoke the process pursuant to GCC Clause 43 (Settlement of Disputes), starting with referral of the matter to the Adjudicator in case an Adjudicator is included and named in the Contract Agreement.

26 Installation of the System

26.1 As soon as the System, or any Subsystem, has, in the opinion of the Supplier, been delivered, Pre-commissioned, and made ready for Commissioning and Operational Acceptance Testing in accordance with the Technical Requirements, the SCC and the Agreed Project Plan, the Supplier shall so notify the Procuring Entity in writing.

26.2 The Project Manager shall, within fourteen (14) days after receipt of the Supplier's notice under GCC Clause 26.1, either issue an Installation Certificate in the form specified in the Sample Contractual Forms Section in the tendering documents, stating that the System, or major component or Subsystem (if Acceptance by major component or Sub system is specified pursuant to the SCC for GCC Clause27.2.1), has achieved Installation by the date of the Supplier's notice under GCC Clause 26.1, or notify the Supplier in writing of any defects and/or deficiencies, including, but not limited to, defects or deficiencies in the interoperability or integration of the various components and/or Subsystems making up the System. The Supplier shall use all reasonable endeavors to promptly remedy any defect and/ or deficiencies that the Project Manager has notified the Supplier of. The Supplier shall then promptly carryout retesting of the System or Sub system and, when in the Supplier's opinion the System or Sub system is ready for Commissioning and Operational Acceptance Testing, notify the Procuring Entity in writing, in accordance with GCC Clause 26.1. The procedure set out in this GCC Clause shall be repeated, as necessary, until an Installation Certificate is issued.

26.3 If the Project Manager fails to issue the Installation Certificate and fails to inform the Supplier of any defects and/or deficiencies within fourteen (14) days after receipt of the Supplier's notice under GCC Clause 26.1,or if the Procuring Entity puts the System or a Subsystem in to production operation, then the System (or Subsystem) shall be deemed to have achieved successful Installation as of the date of the Supplier's notice or repeated notice, or when the Procuring Entity put the System in to production operation, as the case may be.

27 Commissioning and Operational Acceptance

27.1 Commissioning

27.1.1 Commissioning of the System (or Subsystem if specified pursuant to the SCC for GCC Clause 27.2.1) shall be commenced by the Supplier:

a) immediately after the Installation Certificate is issued by the Project Manager, pursuant to GCC Clause 26.2; or

b) as otherwise specified in the Technical Requirement or the Agreed Project Plan; or

c) immediately after Installation is deemed to have occurred, under GCC Clause 26.3.

27.1.2 The Procuring Entity shall supply the operating and technical personnel and all materials and information reasonably required to enable the Supplier to carry out its obligations with respect to Commissioning. Production use of the System or Subsystem(s) shall not commence prior to the start of formal Operational Acceptance Testing.

27.2 Operational Acceptance Tests

27.2.1 The Operational Acceptance Tests (and repeats of such tests) shall be the primary responsibility of the Procuring Entity (in accordance with GCC Clause 10.9), but shall be conducted with the full cooperation of the Supplier during Commissioning of the System (or major components or Subsystem[s]), to ascertain whether the System (or major component or Subsystem[s]) conforms to the Technical Requirements and meets the standard of performance quoted in the Supplier's tender, including, but not restricted to, the functional and technical performance requirements. **Unless otherwise specified in the SCC**, the Operational Acceptance Tests during Commissioning will be conducted as specified in the Technical Requirements and/ or the Agreed Project Plan. At the Procuring Entity's discretion, Operational Acceptance Tests may also be performed on replacement Goods, upgrades and new version releases, and Goods that are added or field-modified after Operational Acceptance of the System.

27.2.2 If for reasons attributable to the Procuring Entity, the Operational Acceptance Test of the System (or Subsystem[s] or major components, pursuant to the SCC for GCC Clause 27.2.1) cannot be successfully completed within ninety (90) days from the date of Installation or any other period agreed upon in writing by the Procuring Entity and the Supplier, the Supplier shall be deemed to have fulfilled its obligations with respect to the technical and functional aspects of the Technical Specifications, SCC and/ or the Agreed Project Plan, and GCC Clause 28.2 and 28.3 shall not apply.

27.3 Operational Acceptance

27.3.1 Subject to GCC Clause 27.4 (Partial Acceptance) below, Operational Acceptance shall occur in respect of the System, when

a the Operational Acceptance Tests, as specified in the Technical Requirements, and/or SCC and/or the Agreed Project Plan have been successfully completed; or

b the Operational Acceptance Tests have not been successfully completed or have not been carried out for reasons that are attributable to the Procuring Entity within the period from the date of Installation or any other agreed-upon period as specified in GCC Clause 27.2.2 above; or

c the Procuring Entity has put the System into production or use for sixty (60) consecutive days. If the System is put into production or use in this manner, the Supplier shall notify the Procuring Entity and document such use.

27.3.2 At any time after any of the events set out in GCC Clause 27.3.1 have occurred, the Supplier may give a notice to the Project Manager requesting the issue of an Operational Acceptance Certificate.

27.3.3 After consultation with the Procuring Entity, and within fourteen (14) days after receipt of the Supplier's notice, the Project Manager shall:

a Issue an Operational Acceptance Certificate; or

b Notify the Supplier in writing of any defect or deficiencies or other reason for the failure of the Operational Acceptance Tests; or

c Issue the Operational Acceptance Certificate, if the situation covered by GCC Clause 27.3.1 (b) arises.

27.3.4 The Supplier shall use all reasonable endeavors to promptly remedy any defect and/or deficiencies and/or other reasons for the failure of the Operational Acceptance Test that the Project Manager has notified the Supplier of. Once such remedies have been made by the Supplier, the Supplier shall notify the Procuring Entity, and the Procuring Entity, with the full cooperation of the Supplier, shall use all reasonable endeavors to promptly carry out retesting of the System or Sub system. Upon the successful conclusion of the Operational Acceptance Tests, the Supplier shall notify the Procuring Entity of its request for Operational Acceptance Certification, in accordance with GCC Clause 27.3.3. The Procuring Entity shall then issue to the Supplier the Operational Acceptance Certification in accordance with GCC Clause 27.3.3 (a), or shall notify the Supplier of further defects, deficiencies, or other reasons for the failure of the Operational Acceptance Test. The procedure set out in this GCC Clause27.3.4 shall be repeated, as necessary, until an Operational Acceptance Certificate is issued.

27.3.5 If the System or Subsystem fails to pass the Operational Acceptance Test(s) in accordance with GCC Clause 27.2, the neither:

a The Procuring Entity may consider terminating the Contract, pursuant to GCC Clause 41.2.2; or

b If the failure to achieve Operational Acceptance within the specified time period is a result of the failure of the Procuring Entity to fulfill its obligations under the Contract, then the Supplier shall be deemed to have fulfilled its obligations with respect to the relevant technical and functional aspects of the Contract, and GCC Clauses 30.3 and 30.4 shall not apply.

27.3.6 If within fourteen (14) days after receipt of the Supplier's notice the Project Manager fails to issue the Operational Acceptance Certificate or fails to inform the Supplier in writing of the justifiable reasons why the Project Manager has not issued the Operational Acceptance Certificate, the System or Subsystem shall be deemed to have been accepted as of the date of the Supplier's said notice.

27.4 Partial Acceptance

27.4.1 If so specified in the SCC for GCC Clause 27.2.1, Installation and Commissioning shall be carried out individually for each identified major component or Subsystem (s) of the System. In this event, the provisions in the Contract relating to Installation and Commissioning, including the Operational Acceptance Test, shall apply to each such major component or Subsystem individually, and Operational Acceptance Certificate (s) shall be issued accordingly for each such major component or Subsystem of the System, subject to the limitations contained in GCC Clause 27.4.2.

27.4.2 The issuance of Operational Acceptance Certificates for individual major components or Subsystems pursuant to GCC Clause 27.4.1 shall not relieve the Supplier of its obligation to obtain an Operational Acceptance Certificate for the System as an integrated whole (if so specified in the SCC for GCC Clauses 12.1 and 27.2.1) once all major components and Subsystems have been supplied, installed, tested, and commissioned.

27.4.3 In the case of minor components for the System that by their nature do not require Commissioning or an Operational Acceptance Test (e.g., minor fittings, furnishings or site works, etc.), the Project Manager shall issue an Operational Acceptance Certificate within fourteen (14) days after the fittings and/or furnishings have been delivered and/or installed or the site works have been completed. The Supplier shall, however, use all reasonable endeavors to promptly remedy any defects or deficiencies in such minor components detected by the Procuring Entity or Supplier.

F. Guarantees and Liabilities

28 Operational Acceptance Time Guarantee

28.1 The Supplier guarantees that it shall complete the supply, Installation, Commissioning, and achieve Operational Acceptance of the System (or Subsystems, pursuant to the SCC for GCC Clause 27.2.1) within the time periods specified in the Implementation Schedule and/or the Agreed Project Plan pursuant to GCC Clause 8.2, or within such extended time to which the Supplier shall be entitled under GCC Clause 40 (Extension of Time for Achieving Operational Acceptance).

28.2 **Unless otherwise specified in the SCC**, if the Supplier fails to supply, install, commission, and achieve Operational Acceptance of the System (or Subsystems pursuant to the SCC for GCC Clause 27.2.1) within the time for achieving Operational Acceptance specified in the Implementation Schedule or the Agreed Project Plan, or any extension of the time for achieving Operational Acceptance previously granted under GCC Clause 40 (Extension of Time for Achieving Operational Acceptance), the Supplier shall pay to the

Procuring Entity liquidated damages at the rate of one half of one percent per week as a percentage of the Contract Price (exclusive of Recurrent Costs if any), or the relevant part of the Contract Price if a Subsystem has not achieved Operational Acceptance. The aggregate amount of such liquidated damages shall in no event exceed the amount often (10) percent of the Contract Price (exclusive of Recurrent Costs if any). Once the Maximum is reached, the Procuring Entity may consider termination of the Contract, pursuant to GCC Clause 41.2.2.

28.3 **Unless otherwise specified in the SCC,** liquidated damages payable under GCC Clause 28.2 shall apply only to the failure to achieve Operational Acceptance of the System (and Subsystems) as specified in the Implementation Schedule and/or Agreed Project Plan. This Clause 28.3 shall not limit, however, any other rights or remedies the Procuring Entity may have under the Contract for other delays.

28.4 If liquidated damages are claimed by the Procuring Entity for the System (or Subsystem), the Supplier shall have no further liability whatsoever to the Procuring Entity in respect to the Operational Acceptance time guarantee for the System (or Subsystem). However, the payment of liquidated damages shall not in any way relieve the Supplier from any of its obligations to complete the System or from any other of its obligations and liabilities under the Contract.

29 Defect Liability

29.1 The Supplier warrants that the System, including all Information Technologies, Materials, and other Goods supplied and Services provided, shall be free from defects in the design, engineering, Materials, and workmanship that prevent the System and/or any of its components from fulfilling the Technical Requirements or that limit in a material fashion the performance, reliability, or extensibility of the System and/or Subsystems. **Unless otherwise specified in the SCC**, there will be NO exceptions and/or limitations to this warranty with respect to Software (or categories of Software). Commercial warranty provisions of products supplied under the Contract shall apply to the extent that they do not conflict with the provisions of this Contract.

29.2 The Supplier also warrants that the Information Technologies, Materials, and other Goods supplied under the Contract are new, unused, and in corporate all recent improvements in design that materially affect the System's or Subsystem's ability to fulfill the Technical Requirements.

29.3 **Unless otherwise specified in the SCC,** the Supplier warrants that :(i) all Goods components to be incorporated into the System form part of the Supplier's and/or Subcontractor's current product lines, and (ii) they have been previously released to the market.

29.4 **Unless otherwise specified in the SCC**, the Warranty Period shall commence from the date of Operational Acceptance of the System (or of any major component or Subsystem for which separate Operational Acceptance is provided for in the Contract) and shall extend for thirty-six (36) months.

29.5 If during the Warranty Period any defect as described in GCC Clause 29.1 should be found in the design, engineering, Materials, and workmanship of the Information Technologies and other Goods supplied or of the Services provided by the Supplier, the Supplier shall promptly, in consultation and agreement with the Procuring Entity regarding appropriate remedying of the defects, and at its sole cost, repair, replace, or otherwise make good (as the Supplier shall, at its discretion, determine) such defect as well as any damage to the System caused by such defect. Any defective Information Technologies or other Goods that have been replaced by the Supplier shall remain the property of the Supplier.

29.6 The Supplier shall not be responsible for the repair, replacement, or making good of any defect, or of any damage to the System arising out of or resulting from any of the following causes:

a) Improper operation or maintenance of the System by the Procuring Entity;
b) Normal wear and tear;
c) use of the System with items not supplied by the Supplier, unless otherwise identified in the Technical Requirements, or approved by the Supplier; or
d) modifications made to the System by the Procuring Entity, or a third party, not approved by the Supplier.

29.7 The Supplier's obligations under this GCC Clause 29 shall not apply to:

a) any materials that are normally consumed in operation or have a normal life shorter than the Warranty Period; or

b) any designs, specifications, or other data designed, supplied, or specified by or on behalf of the Procuring Entity or any matters for which the Supplier has disclaimed responsibility, in accordance with GCC Clause 21.1.2.

29.8 The Procuring Entity shall give the Supplier a notice promptly following the discovery of such defect, stating the nature of any such defect together with all available evidence. The Procuring Entity shall afford all reasonable opportunity for the Supplier to inspect any such defect. The Procuring Entity shall afford the Supplier all necessary access to the System and the site to enable the Supplier to perform its obligations under this GCC Clause 29.

29.9 The Supplier may, with the consent of the Procuring Entity, remove from the site any Information Technologies and other Goods that are defective, if the nature of the defect, and/or any damage to the System caused by the defect, is such that repairs cannot be expeditiously carried out at the site. If the repair, replacement, or making good is of such a character that it may affect the efficiency of the System, the Procuring Entity may give the Supplier notice requiring that tests of the defective part be made by the Supplier immediately upon completion of such remedial work, where upon the Supplier shall carry out such tests.

If such part fails the tests, the Supplier shall carry out further repair, replacement, or making good (as the case maybe) until that part of the System passes such tests. The tests shall be agreed upon by the Procuring Entity and the Supplier.

29.10 **Unless otherwise specified in the SCC**, the response times and repair/replacement times for Warranty Defect Repair are specified in the Technical Requirements. Nevertheless, if the Supplier fails to commence the work necessary to remedy such defect or any damage to the System caused by such defect within two weeks the Procuring Entity may, following notice to the Supplier, proceed to do such work or contract a third party (or parties) to do such work, and the reasonable costs incurred by the Procuring Entity in connection with such work shall be paid to the Procuring Entity by the Supplier or may be deducted by the Procuring Entity from any monies due the Supplier or claimed under the Performance Security.

29.11 If the System or Subsystem cannot be used by reason of such defect and/or making good of such defect, the Warranty Period for the System shall be extended by a period equal to the period during which the System or Subsystem could not be used by the Procuring Entity because of such defect and/or making good of such defect.

29.12 Items substituted for defective parts of the System during the Warranty Period shall be covered by the Defect Liability Warranty for the remainder of the Warranty Period applicable for the part replaced or three (3) months, whichever is greater. For reasons of information security, the Procuring Entity may choose to retain physical possession of any replaced defective information storage devices.

29.13 At the request of the Procuring Entity and without prejudice to any other rights and remedies that the Procuring Entity may have against the Supplier under the Contract, the Supplier will offer all possible assistance to the Procuring Entity to seek warranty services or remedial action from any subcontracted third-party producers or licensor of Goods included in the System, including without limitation assignment or transfer in favor of the Procuring Entity of the benefit of any warranties given by such producers or licensors to the Supplier.

30 Functional Guarantees

30.1 The Supplier guarantees that, once the Operational Acceptance Certificate(s) has been issued, the System represents a complete, integrated solution to the Procuring Entity's requirements set forth in the Technical Requirements and it conforms to all other aspects of the Contract. The Supplier acknowledges that GCC Clause 27 regarding Commissioning and Operational Acceptance govern show technical conformance of the System to the Contract requirements will be determined.

30.2 If, for reasons attributable to the Supplier, the System does not conform to the Technical Requirements or does not conform to all other aspects of the Contract, the Supplier shall at its cost and expense make such changes, modifications, and/or additions to the System as may be necessary to conform to the Technical Requirements and meet all functional and performance standards. The Supplier shall notify the Procuring Entity upon completion of the necessary changes, modifications, and/or additions and shall request the Procuring Entity to repeat the Operational Acceptance Tests until the System achieves Operational Acceptance.

30.3 If the System (or Subsystem[s]) fails to achieve Operational Acceptance, the Procuring Entity may consider termination of the Contract, pursuant to GCC Clause 41.2.2, and forfeiture of the Supplier's Performance Security in accordance with GCC Clause 13.3 in compensation for the extra costs and delays likely to result from this failure.

31 Intellectual Property Rights Warranty

31.1 The Supplier here by represents and warrants that:

a) The System as supplied, installed, tested, and accepted;

b) Use of the System in accordance with the Contract; and

c) Copying of the Software and Materials provided to the Procuring Entity in accordance with the Contract do not and will not infringe any Intellectual Property Rights held by any third party and that it has all necessary rights or at its sole expense shall have secured in writing all transfer so frights and other consents necessary to make the assignments, licenses, and other transfers of Intellectual Property Rights and the warranties set forth in the Contract, and for the Procuring Entity to own or exercise all Intellectual Property Rights as provided in the Contract. Without limitation, the Supplier shall secure all necessary written agreements, consents, and transfers of rights from its employees and other persons or entities whose services are used for development of the System.

32 Intellectual Property Rights Indemnity

32.1 The Supplier shall indemnify and hold harmless the Procuring Entity and its employees and officers from and against any and all losses, liabilities, and costs (including losses, liabilities, and costs incurred in defending a claim alleging such a liability), that the Procuring Entity or its employees or officers may suffer as a result of any infringement or alleged infringement of any Intellectual Property Rights by reason of:

a) Installation of the System by the Supplier or the use of the System, including the Materials, in the country where the site is located;

b) copying of the Software and Materials provided by the Supplier in accordance with the Agreement; and

c) sale of the products produced by the System in any country, except to the extent that such losses, liabilities, and costs a rise as a result of the Procuring Entity's breach of GCC Clause 32.2.

32.2 Such indemnity shall not cover any use of the System, including the Materials, other than for the purpose indicated by or to be reasonably inferred from the Contract, any infringement resulting from the use of the System, or any products of the System produced there by in association or combination with any other goods or services not supplied by the Supplier, where the infringement arises because of such association or combination and not because of use of the System in its own right.

32.3 Such indemnities shall also not apply if any claim of infringement:

a) Is asserted by apparent, subsidiary, or affiliate of the Procuring Entity's organization;

b) Is a direct result of a design mandated by the Procuring Entity's Technical Requirements and the possibility of such infringement was duly noted in the Supplier's Tender; or

c) Results from the alteration of the System, including the Materials, by the Procuring Entity or any persons other than the Supplier or a person authorized by the Supplier.

32.4 If any proceedings are brought or any claim is made against the Procuring Entity arising out of the matters referred to in GCC Clause 32.1, the Procuring Entity shall promptly give the Supplier notice of such proceedings or claims, and the Supplier may at its own expense and in the Procuring Entity's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.

If the Supplier fails to notify the Procuring Entity within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Procuring Entity shall be free to conduct the same on its own behalf. Unless the Supplier has so failed to notify the Procuring Entity within the twenty-eight (28) days, the Procuring Entity shall make no admission that may be prejudicial to the defense of any such proceedings or claim. The Procuring Entity shall, at the Supplier's request, afford all available assistance to the Supplier in conducting such proceedings or claim and shall be reimbursed by the Supplier for all reasonable expenses incurred in so doing.

32.5 The Procuring Entity shall indemnify and hold harmless the Supplier and its employees, officers, and Subcontractors from and against any and all losses, liabilities, and costs (including losses, liabilities, and costs incurred in defending a claim alleging such a liability) that the Supplier or its employees, officers, or

Subcontractors may suffer as a result of any infringement or alleged infringement of any Intellectual Property Rights arising out of or in connection with any design, data, drawing, specification, or other documents or materials provided to the Supplier in connection with this Contract by the Procuring Entity or any persons (other than the Supplier) contracted by the Procuring Entity, except to the extent that such losses, liabilities, and costs arise as a result of the Supplier's breach of GCC Clause 32.8.

32.6 Such indemnity shall not cover

a) any use of the design, data, drawing, specification, or other documents or materials, other than for the purpose indicated by or to be reasonably inferred from the Contract;

b) any infringement resulting from the use of the design, data, drawing, specification, or other documents or materials, or any products produced thereby, in association or combination with any other Goods or Services not provided by the Procuring Entity or any other person contracted by the Procuring Entity, where the infringement arises because of such association or combination and not because of the use of the design, data, drawing, specification, or other documents or materials in its own right.

32.7 Such indemnities shall also not apply:

a) If any claim of infringement is asserted by apparent, subsidiary, or affiliate of the Supplier's organization;

b) to the extent that any claim of infringement is caused by the alteration, by the Supplier, or any persons contracted by the Supplier, of the design, data, drawing, specification, or other documents or materials provided to the Supplier by the Procuring Entity or any persons contracted by the Procuring Entity.

32.8 If any proceedings are brought or any claim is made against the Supplier arising out of the matters referred to in GCC Clause 32.5, the Supplier shall promptly give the Procuring Entity notice of such proceedings or claims, and the Procuring Entity may at its own expense and in the Supplier's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. If the Procuring Entity fails to notify the Supplier within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Supplier shall be free to conduct the same on its own behalf. Unless the Procuring Entity has so failed to notify the Supplier within the twenty-eight (28) days, the Supplier shall make no admission that may be prejudicial to the defense of any such proceedings or claim. The Supplier shall, at the Procuring Entity's request, afford all available assistance to the Procuring Entity in conducting such proceedings or claim and shall be reimbursed by the Procuring Entity for all reasonable expenses incurred in so doing.

33 Limitation of Liability

33.1 Provided the following does not exclude or limit any liabilities of either party in ways not permitted by applicable law:

a) the Supplier shall not be liable to the Procuring Entity, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the Supplier to pay liquidated damages to the Procuring Entity; and

b) the aggregate liability of the Supplier to the Procuring Entity, whether under the Contract, in tort or otherwise, shall not exceed the total Contract Price, provided that this limitation shall not apply to any obligation of the Supplier to indemnify the Procuring Entity with respect to intellectual property rights infringement.

G. Risk Distribution

34 Transfer of Ownership

34.1 With the exception of Software and Materials, the ownership of the Information Technologies and other Goods shall be transferred to the Procuring Entity at the time of Delivery or otherwise under terms that may be agreed upon and specified in the Contract Agreement.

34.2 Ownership and the terms of usage of the Software and Materials supplied under the Contract shall be governed by GCC Clause 15 (Copyright) and any elaboration in the Technical Requirements.

34.3 Ownership of the Supplier's Equipment used by the Supplier and its Subcontractors in connection with the Contract shall remain with the Supplier or its Subcontractors.

35 Care of the System

35.1 The Procuring Entity shall be come responsible for the care and custody of the System or Subsystems upon their Delivery. The Procuring Entity shall make good at its own cost any loss or damage that may occur to the System or Subsystems from any cause from the date of Delivery until the date of Operational Acceptance of the System or Subsystems, pursuant to GCC Clause 27 (Commissioning and Operational Acceptance), except such loss or damage arising from acts or omissions of the Supplier, its employees, or subcontractors.

35.2 If any loss or damage occurs to the System or any part of the System by reason of:

a) (in so far as they relate to the country where the Project Site is located) nuclear reaction, nuclear radiation, radioactive contamination, a pressure wave caused by aircraft or other aerial objects, or any other occurrences that an experienced contractor could not reasonably foresee, or if reasonably foreseeable could not reasonably make provision for or insure against, in so far as such risks are not normally insurable on the insurance market and are mentioned in the general exclusions of the policy of insurance taken out under GCC Clause 37;

b) Any use not in accordance with the Contract, by the Procuring Entity or any third party;

c) Any use of or reliance upon any design, data, or specification provided or designated by or on behalf of the Procuring Entity, or any such matter for which the Supplier has disclaimed responsibility in accordance with GCC Clause 21.1.2, the Procuring Entity shall pay to the Supplier all sums payable in respect of the System or Subsystems that have achieved Operational Acceptance, notwithstanding that the same be lost, destroyed, or damaged. If the Procuring Entity requests the Supplier in writing to make good any loss or damage to the System thereby occasioned, the Supplier shall make good the same at the cost of the Procuring Entity in accordance with GCC Clause 39. If the Procuring Entity does not request the Supplier in writing to make good any loss or damage to the System there by occasioned, the Procuring Entity shall either request a change in accordance with GCC Clause 39, excluding the performance of that part of the System there by lost, destroyed, or damaged, or, where the loss or damage affects a substantial part of the System, the Procuring Entity shall terminate the Contract pursuant to GCC Clause 41.1.

35.3 The Procuring Entity shall be liable for any loss of or damage to any Supplier's Equipment which the Procuring Entity has authorized to locate within the Procuring Entity's premises for use in fulfillment of Supplier's obligations under the Contract, except where such loss or damage arises from acts or omissions of the Supplier, its employees, or subcontractors.

36 Loss of or Damage to Property; Accident or Injury to Workers; Indemnification

36.1 The Supplier and each and every Subcontractor shall abide by the job safety, insurance, customs, and immigration measures prevalent and laws in force in Kenya.

36.2 Subject to GCC Clause 36.3, the Supplier shall indemnify and hold harmless the Procuring Entity and its employees and officers from and against any and all losses, liabilities and costs (including losses, liabilities, and costs incurred in defending a claim alleging such a liability) that the Procuring Entity or its employees or officers may suffer as a result of the death or injury of any person or loss of or damage to any property (other than the System, whether accepted or not) arising in connection with the supply, installation, testing, and Commissioning of the System and by reason of the negligence of the Supplier or its Subcontractors, or their employees, officers or agents, except any injury, death, or property damage caused by the negligence of the Procuring Entity, its contractors, employees, officers, or agents.

36.3 If any proceedings are brought or any claim is made against the Procuring Entity that might subject the Supplier to liability under GCC Clause 36.2, the Procuring Entity shall promptly give the Supplier notice of such proceedings or claims, and the Supplier may at its own expense and in the Procuring Entity's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. If the Supplier fails to notify the Procuring Entity within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Procuring Entity shall be free to conduct the same on its own behalf. Unless the Supplier has so failed to notify the Procuring Entity within the twenty-eight (28) day period, the Procuring Entity shall make no admission that may be prejudicial to the defense of any such proceedings or claim. The Procuring Entity shall, at the Supplier's request, afford all available assistance to the Supplier in conducting such proceedings or claim and shall be reimbursed by the Supplier for all reasonable expenses incurred in so doing.

36.4 The Procuring Entity shall indemnify and hold harmless the Supplier and its employees, officers, and Subcontractors from any and all losses, liabilities, and costs (including losses, liabilities, and costs incurred in defending a claim alleging such a liability) that the Supplier or its employees, officers, or Subcontractors may suffer as a result of the death or personal injury of any person or loss of or damage to property of the Procuring Entity, other than the System not yet achieving Operational Acceptance, that is caused by fire, explosion, or any other perils, in excess of the amount recoverable from insurances procured under GCC Clause 37 (Insurances), provided that such fire, explosion, or other perils were not caused by any act or failure of the Supplier.

36.5 If any proceedings are brought or any claim is made against the Supplier that might subject the Procuring Entity to liability under GCC Clause 36.4, the Supplier shall promptly give the Procuring Entity notice of such proceedings or claims, and the Procuring Entity may at its own expense and in the Supplier's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. If the Procuring Entity fails to notify the Supplier within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Supplier shall be free to conduct the same on its own behalf. Unless the Procuring Entity has so failed to notify the Supplier within the twenty-eight (28) days, the Supplier shall make no admission that may be prejudicial to the defense of any such proceedings or claim. The Supplier shall, at the Procuring Entity's request, afford all available assistance to the Procuring Entity in conducting such proceedings or claim and shall be reimbursed by the Procuring Entity for all reasonable expenses incurred in so doing.

36.6 The party entitled to the benefit of an indemnity under this GCC Clause 36 shall take all reasonable measures to mitigate any loss or damage that has occurred. If the party fails to take such measures, the other party's liabilities shall be correspondingly reduced.

37 Insurances

37.1 The Supplier shall at its expense take out and maintain in effect, or cause to be taken out and maintained in effect, during the performance of the Contract, the insurance set forth below. The identity of the insurers and the form of the policies shall be subject to the approval of the Procuring Entity, who should not unreasonably with hold such approval.

a) Cargo Insurance During Transport

as applicable, 110 percent of the price of the Information Technologies and other Goods in a freely convertible currency, covering the Goods from physical loss or damage during shipment through receipt at the Project Site.

b) Installation “All Risks” Insurance

as applicable, 110 percent of the price of the Information Technologies and other Goods covering the Goods at the site from all risks of physical loss or damage (excluding only perils commonly excluded under “all risks” insurance policies of this type by reputable insurers) occurring prior to Operational Acceptance of the System.

c) Third-Party Liability Insurance

On terms as **specified in the SCC,** covering bodily injury or death suffered by third parties (including the Procuring Entity's personnel) and loss of or damage to property (including the Procuring Entity's property and any Subsystems that have been accepted by the Procuring Entity) occurring in connection with the supply and installation of the Information System.

d) Automobile Liability Insurance

In accordance with the statutory requirements prevailing in Kenya, covering use of all vehicles used by the Supplier or its Subcontractors (whether or not owned by them) in connection with the execution of the Contract.

e) Other Insurance (if any), as **specified in the SCC.**

37.2 The Procuring Entity shall be named as co-insured under all insurance policies taken out by the Supplier pursuant to GCC Clause 37.1, except for the Third-Party Liability, and the Supplier's Subcontractors shall be named as co-insured under all insurance policies taken out by the Supplier pursuant to GCC Clause 37.1 except for Cargo Insurance During Transport. All insurer's rights of subrogation against such co-insured for losses or claims arising out of the performance of the Contract shall be waived under such policies.

37.3 The Supplier shall deliver to the Procuring Entity certificates of insurance (or copies of the insurance policies) as evidence that the required policies are in full force and effect.

37.4 The Supplier shall ensure that, where applicable, its Subcontractor(s) shall take out and maintain in effect adequate insurance policies for their personnel and vehicles and for work executed by them under the Contract, unless such Subcontractors are covered by the policies taken out by the Supplier.

37.5 If the Supplier fails to take out and/or maintain in effect the insurance referred to in GCC Clause 37.1, the Procuring Entity may takeout and maintain in effect any such insurance and may from time to time deduct from any amount due to the Supplier under the Contract any premium that the Procuring Entity shall have paid to the insurer or may otherwise recover such amount as a debt due from the Supplier.

37.6 Unless otherwise provided in the Contract, the Supplier shall prepare and conduct all and any claims made under the policies affected by it pursuant to this GCC Clause 37, and all monies payable by any insurers shall be paid to the Supplier. The Procuring Entity shall give to the Supplier all such reasonable assistance as may be required by the Supplier in connection with any claim under the relevant insurance policies. With respect to insurance claims in which the Procuring Entity's interest is involved, the Supplier shall not give any release or make any compromise with the insurer without the prior written consent of the Procuring Entity. With respect to insurance claims in which the Supplier's interest is involved, the Procuring Entity shall not give any release or make any compromise with the insurer without the prior written consent of the Supplier.

38 Force Majeure

38.1 "Force Majeure" shall mean any event beyond the reasonable control of the Procuring Entity or of the Supplier, as the case may be, and which is unavoidable notwithstanding the reasonable care of the party affected and shall include, without limitation, the following:

a) war, hostilities, or war like operations (whether a state of war be declared or not), invasion, act of foreign enemy, and civil war;

b) rebellion, revolution, insurrection, mutiny, usurpation of civil or military government, conspiracy, riot, civil commotion, and terrorist acts;

c) confiscation, nationalization, mobilization, commandeering or requisition by or under the order of any government or dejure or defacto authority or ruler, or any other act or failure to act of any local state or national government authority;

d) strike, sabotage, lockout, embargo, import restriction, port congestion, lack of usual means of public transportation and communication, industrial dispute, shipwreck, shortage or restriction of power supply, epidemics, quarantine, and plague;

e) earthquake, landslide, volcanic activity, fire, flood or inundation, tidal wave, typhoon or cyclone, hurricane, storm, lightning, or other inclement weather condition, nuclear and pressure waves, or other natural or physical disaster;

f) failure, by the Supplier, to obtain the necessary export permit (s) from the governments of the Country(s) of Origin of the Information Technologies or other Goods, or Supplier's Equipment provided that the Supplier has made all reasonable efforts to obtain the required export permit(s), including the exercise of due diligence in determining the eligibility of the System and all of its components for receipt of the necessary export permits.

38.2 If either party is prevented, hindered, or delayed from or in performing any of its obligations under the Contract by an event of Force Majeure, then it shall notify the other in writing of the occurrence of such event and the circumstances of the event of Force Majeure within fourteen (14) days after the occurrence of such event.

38.3 The party who has given such notice shall be excused from the performance or punctual performance of its obligations under the Contract for so long as the relevant event of Force Majeure continues and to the extent that such party's performance is prevented, hindered, or delayed. The Time for Achieving Operational Acceptance shall be extended in accordance with GCC Clause 40 (Extension of Time for Achieving Operational Acceptance).

38.4 The party or parties affected by the event of Force Majeure shall use reasonable efforts to mitigate the effect of the event of Force Majeure upon its or their performance of the Contract and to fulfill its or their obligations under the Contract, but without prejudice to either party's right to terminate the Contract under GCC Clause 38.6.

38.5 No delay or nonperformance by either party to this Contract caused by the occurrence of any event of Force Majeure shall:

a) Constitute a default or breach of the Contract;

b) (subject to GCC Clauses 35.2, 38.3, and 38.4) give rise to any claim for damages or additional cost or expense occasioned by the delay or nonperformance, if, and to the extent that, such delay or non-performance is caused by the occurrence of an event of Force Majeure.

38.6 If the performance of the Contract is substantially prevented, hindered, or delayed for a single period of more than sixty (60) days or an aggregate period of more than one hundred and twenty (120) days on account of one or more events of Force Majeure during the time period covered by the Contract, the parties will attempt to develop a mutually satisfactory solution, failing which, either party may terminate the Contract by giving a notice to the other.

38.7 In the event of termination pursuant to GCC Clause 38.6, the rights and obligations of the Procuring Entity and the Supplier shall be as specified in GCC Clauses 41.1.2 and 41.1.3.

38.8 Notwithstanding GCC Clause 38.5, Force Majeure shall not apply to any obligation of the Procuring Entity to make payments to the Supplier under this Contract.

H. Change in Contract Elements

39 Changes to the System

39.1 Introducing a Change

39.1.1 Subject to GCC Clauses 39.2.5 and 39.2.7, the Procuring Entity shall have the right to propose, and subsequently require, the Project Manager to order the Supplier from time to time during the performance of the Contract to make any change, modification, addition, or deletion to, in, or from the System (interchangeably called "Change"), provided that such Change falls within the general scope of the System, does not constitute unrelated work, and is technically practicable, taking into account both the state of advancement of the System and the technical compatibility of the Change envisaged with the nature of the System as originally specified in the Contract.

39.1.2 A Change may involve, but is not restricted to, the substitution of updated Information Technologies and related Services in accordance with GCC Clause 23 (Product Upgrades).

39.1.3 The Supplier may from time to time during its performance of the Contract propose to the Procuring Entity (with a copy to the Project Manager) any Change that the Supplier considers necessary or desirable to improve the quality or efficiency of the System. The Procuring Entity may at its discretion approve or reject any Change proposed by the Supplier.

39.1.4 Notwithstanding GCC Clauses 39.1.1 and 39.1.2, no change made necessary because of any default of the Supplier in the performance of its obligations under the Contract shall be deemed to be a Change, and such change shall not result in any adjustment of the Contract Price or the Time for Achieving Operational Acceptance.

39.1.5 The procedure on how to proceed with and execute Changes is specified in GCC Clauses 39.2 and 39.3, and further details and sample forms are provided in the Sample Contractual Forms Section in the tendering documents.

39.1.6 Moreover, the Procuring Entity and Supplier will agree, during development of the Project Plan, to a date prior to the scheduled date for Operational Acceptance, after which the Technical Requirements for the System shall be "frozen." Any Change initiated after this time will be dealt with after Operational Acceptance.

39.2 Changes Originating from Procuring Entity

39.2.4 If the Procuring Entity proposes a Change pursuant to GCC Clauses 39.1.1, it shall send to the Supplier a "Request for Change Proposal," requiring the Supplier to prepare and furnish to the Project Manager as soon as reasonably practicable a "Change Proposal," which shall include the following:

a Brief description of the Change;

b Impact on the Time for Achieving Operational Acceptance;

c Detailed estimated cost of the Change;

d Effect on Functional Guarantees (if any);

e Effect on any other provisions of the Contract.

39.2.5 Prior to preparing and submitting the "Change Proposal," the Supplier shall submit to the Project Manager a "Change Estimate Proposal," which shall be an estimate of the cost of preparing the Change Proposal, plus a first approximation of the suggested approach and cost for implementing the changes. Upon receipt of the Supplier's Change Estimate Proposal, the Procuring Entity shall do one of the following:

a accept the Supplier's estimate with instructions to the Supplier to proceed with the preparation of the Change Proposal;

b advise the Supplier of any part of its Change Estimate Proposal that is unacceptable and request the Supplier to review its estimate;

c advise the Supplier that the Procuring Entity does not intend to proceed with the Change.

39.2.6 Upon receipt of the Procuring Entity's instruction to proceed under GCC Clause 39.2.2 (a), the Supplier shall, with proper expedition, proceed with the preparation of the Change Proposal, in accordance with GCC Clause 39.2.1. The Supplier, at its discretion, may specify a validity period for the Change Proposal, after which if the Procuring Entity and Supplier has not reached agreement in accordance with GCC Clause 39.2.6, then GCC Clause 39.2.7 shall apply.

39.2.7 The pricing of any Change shall, as far as practicable, be calculated in accordance with the rates and prices included in the Contract. If the nature of the Change is such that the Contract rates and prices are in equitable, the parties to the Contract shall agree on other specific rates to be used for valuing the Change.

39.2.8 If before or during the preparation of the Change Proposal it becomes apparent that the aggregate impact of compliance with the Request for Change Proposal and with all other Change Orders that have already become binding upon the Supplier under this GCC Clause 39 would be to increase or decrease the Contract Price as originally set forth in Article 2 (Contract Price) of the Contract Agreement by more than fifteen (15) percent, the Supplier may give a written notice of objection to this Request for Change Proposal prior to furnishing the Change Proposal. If the Procuring Entity accepts the Supplier's objection, the Procuring Entity shall withdraw the proposed Change and shall notify the Supplier in writing of its acceptance.

The Supplier's failure to so object to a Request for Change Proposal shall neither affect its right to object to any subsequent requested Changes or Change Orders, nor affect its right to take into account, when making such subsequent objection, the percentage increase or decrease in the Contract Price that any Change not objected to by the Supplier represents.

39.2.9 Upon receipt of the Change Proposal, the Procuring Entity and the Supplier shall mutually agree upon all matters contained in the Change Proposal. Within fourteen (14) days after such agreement, the Procuring Entity shall, if it intends to proceed with the Change, issue the Supplier a Change Order. If the Procuring Entity is unable to reach a decision within fourteen (14) days, it shall notify the Supplier with details of when the Supplier can expect a decision. If the Procuring Entity decides not to proceed with the Change for whatever reason, it shall, within the said period of fourteen (14) days, notify the Supplier accordingly. Under such circumstances, the Supplier shall be entitled to reimbursement of all costs reasonably incurred by it in the preparation of the Change Proposal, provided that these do not exceed the amount given by the Supplier in its Change Estimate Proposal submitted in accordance with GCC Clause 39.2.2.

39.2.10 If the Procuring Entity and the Supplier cannot reach agreement on the price for the Change, an equitable adjustment to the Time for Achieving Operational Acceptance, or any other matters identified in the Change Proposal, the Change will not be implemented. However, this provision does not limit the rights of either party under GCC Clause 6 (Settlement of Disputes).

39.3 Changes Originating from Supplier

If the Supplier proposes a Change pursuant to GCC Clause 39.1.2, the Supplier shall submit to the Project Manager a written "Application for Change Proposal," giving reasons for the proposed Change and including the information specified in GCC Clause 39.2.1. Upon receipt of the Application for Change Proposal, the parties shall follow the procedures outlined in GCC Clauses 39.2.6 and 39.2.7. However, should the Procuring Entity choose not to proceed or the Procuring Entity and the Supplier cannot come to agreement on the change during any validity period that the Supplier may specify in its Application for Change Proposal, the Supplier shall not be entitled to recover the costs of preparing the Application for Change Proposal, unless subject to an agreement between the Procuring Entity and the Supplier to the contrary.

39.4 Value engineering. The Supplier may prepare, at its own cost, a value engineering proposal at any time during the performance of the Contract.

39.4.1 The value engineering proposal shall, at a minimum, include the following;

(a) The proposed change (s), and a description of the difference to the existing Contract requirements;

(b) a full cost/benefit analysis of the proposed change(s) including a description and estimate of costs (including life cycle costs) the Procuring Entity may incur in implementing the value engineering proposal; and

(c) a description of any effect(s) of the change on performance/ functionality.

39.4.2 The Procuring Entity may accept the value engineering proposal if the proposal demonstrates benefits that:

a) accelerates the delivery period; or

b) reduces the Contract Price or the life cycle costs to the Procuring Entity; or

c) improves the quality, efficiency, safety or sustainability of the systems; or

d) yields any other benefits to the Procuring Entity, without compromising the necessary functions of the systems.

39.4.3 If the value engineering proposal is approved by the Procuring Entity and results in:

a) a reduction of the Contract Price; the amount to be paid to the Supplier shall be the percentage specified in the **SCC** of the reduction in the Contract Price; or

b) an increase in the Contract Price; but results in a reduction in life cycle costs due to any benefit described in
(a) to (d) above, the amount to be paid to the Supplier shall be the full increase in the Contract Price.

40 Extension of Time for Achieving Operational Acceptance

40.1 The time(s) for achieving Operational Acceptance specified in the Schedule of Implementation shall be extended if the Supplier is delayed or impeded in the performance of any of its obligations under the Contract by reason of any of the following:
a) Any Change in the System as provided in GCC Clause39 (Change in the Information System);
b) Any occurrence of Force Majeure as provided in GCC Clause 38 (Force Majeure);
c) Default of the Procuring Entity; or
d) Any other matter specifically mentioned in the Contract; by such period as shall be fair and reasonable in all the circumstances and as shall fairly reflect the delay or impediment sustained by the Supplier.

40.2 Except where otherwise specifically provided in the Contract, the Supplier shall submit to the Project Manager a notice of a claim for an extension of the time for achieving Operational Acceptance, together with particulars of the event or circumstance justifying such extension as soon as reasonably practicable after the commencement of such event or circumstance. As soon as reasonably practicable after receipt of such notice and supporting particulars of the claim, the Procuring Entity and the Supplier shall agree upon the period of such extension. In the event that the Supplier does not accept the Procuring Entity's estimate of a fair and reasonable time extension, the Supplier shall be entitled to refer the matter to the provisions for the Settlement of Disputes pursuant to GCC Clause 43.

40.3 The Supplier shall at all times use its reasonable efforts to minimize any delay in the performance of its obligations under the Contract.

41 Termination

41.1 Termination for Procuring Entity's Convenience

41.1.1 The Procuring Entity may at any time terminate the Contract for any reason by giving the Supplier a notice of termination that refers to this GCC Clause 41.1.

41.1.2 Upon receipt of the notice of termination under GCC Clause 41.1.1, the Supplier shall either as soon as reasonably practical or upon the date specified in the notice of termination

a) cease all further work, except for such work as the Procuring Entity may specify in the notice of termination for the sole purpose of protecting that part of the System already executed, or any work required to leave the site in a clean and safe condition;

b) terminate all subcontracts, except those to be assigned to the Procuring Entity pursuant to GCC Clause (d) (ii) below;

c) Remove all Supplier's Equipment from the site, repatriate the Supplier's and its Sub contractors' personnel from the site, remove from the site any wreckage, rubbish, and debris of any kind;

d) In addition, the Supplier, subject to the payment specified in GCC Clause 41.1.3, shall

i) deliver to the Procuring Entity the parts of the System executed by the Supplier up to the date of termination;

ii) to the extent legally possible, assign to the Procuring Entity all right, title, and benefit of the Supplier to the System, or Subsystem, as at the date of termination, and, as may be required by the Procuring Entity, in any subcontracts concluded between the Supplier and its Subcontractors;

iii) deliver to the Procuring Entity all nonproprietary drawings, specifications, and other documents prepared by the Supplier or its Subcontractors as of the date of termination in connection with the System.

41.1.3 In the event of termination of the Contract under GCC Clause 41.1.1, the Procuring Entity shall pay to the Supplier the following amounts:

a) The Contract Price, properly attributable to the parts of the System executed by the Supplier as of the date of termination;

b) The costs reasonably incurred by the Supplier in the removal of the Supplier's Equipment from the site and in the repatriation of the Supplier's and its Subcontractors 'personnel;

c) any amount to be paid by the Supplier to its Subcontractors in connection with the termination of any subcontracts, including any cancellation charges;

d) costs incurred by the Supplier in protecting the System and leaving the site in a clean and safe condition pursuant to GCC Clause 41.1.2(a); and

e) the cost of satisfying all other obligations, commitments, and claims that the Supplier may in good faith have undertaken with third parties in connection with the Contract and that are not covered by GCC Clauses 41.1.3 (a) through (d) above.

41.2 Termination for Supplier's Default

41.2.1 The Procuring Entity, without prejudice to any other rights or remedies it may possess, may terminate the Contract forth within the following circumstances by giving a notice of termination and its reasons there for to the Supplier, referring to this GCC Clause41.2:

a) If the Supplier becomes bankrupt or in solvent, has a receiving order issued against it, compounds with its creditors, or, if the Supplier is a corporation, a resolution is passed or order is made for its winding up (other than a voluntary liquidation for the purposes of amalgamation or reconstruction), a receiver is appointed over any part of its under taking or assets, or if the Supplier takes or suffers any other analogous action in consequence of debt;

b) If the Supplier assigns or transfers the Contractor any right or interest, there in in violation of the provision of GCC Clause 42 (Assignment); or

c) If the Supplier, in the judgment of the Procuring Entity has engaged in Fraud and Corruption, as defined in paragraph 2.2a. of the Appendix to the GCC, in competing for or in executing the Contract, including but

Not limited to willful misrepresentation of facts concerning ownership of Intellectual Property Rights in, or proper authorization and/or licenses from the owner to offer, the hardware, software, or materials provided under this Contract.

41.2.2 If the Supplier:

d) Has abandoned or repudiated the Contract;

e) Has without valid reason failed to commence work on the System promptly;

f) Persistently fails to execute the Contract in accordance with the Contract or persistently neglects to carry out its obligations under the Contract without just cause;

g) Refuses or is unable to provide sufficient Materials, Services, or labor to execute and complete the System in the manner specified in the Agreed Project Plan furnished under GCC Clause 19 at rates of progress that give reasonable assurance to the Procuring Entity that the Supplier can attain Operational Acceptance of the System by the Time for Achieving Operational Acceptance as extended; then the Procuring Entity may, without prejudice to any other rights it may possess under the Contract, give a notice to the Supplier stating the nature of the default and requiring the Supplier to remedy the same. If the Supplier fails to remedy or to take steps to remedy the same with in fourteen (14) days of its receipt of such notice, then the Procuring Entity may terminate the Contract forthwith by giving a notice of termination to the Supplier that refers to this GCC Clause 41.2.

41.2.3 Upon receipt of the notice of termination under GCC Clauses 41.2.1 or 41.2.2, the Supplier shall, either immediately or upon such date as is specified in the notice of termination:

h) cease all further work, except for such work as the Procuring Entity may specify in the notice of termination for the sole purpose of protecting that part of the System already executed or any work required to leave the site in a clean and safe condition;

i) terminate all subcontracts, except those to be assigned to the Procuring Entity pursuant to GCC Clause (d) below;

j) deliver to the Procuring Entity the parts of the System executed by the Supplier up to the date of termination;

k) to the extent legally possible, assign to the Procuring Entity all right, title and benefit of the Supplier to the System or Subsystems as at the date of termination, and, as may be required by the Procuring Entity, in any subcontracts concluded between the Supplier and its Subcontractors;

l) deliver to the Procuring Entity all drawings, specifications, and other documents prepared by the Supplier or its Subcontractors as at the date of termination in connection with the System.

41.2.4 The Procuring Entity may enter upon the site, expel the Supplier, and complete the System itself or by employing any third party. Upon completion of the System or at such earlier date as the Procuring Entity thinks appropriate, the Procuring Entity shall give notice to the Supplier that such Supplier's Equipment will be returned to the Supplier at or near the site and shall return such Supplier's Equipment to the Supplier in accordance with such notice. The Supplier shall thereafter without delay and at its cost remove or arrange removal of the same from the site.

41.2.5 Subject to GCC Clause 41.2.6, the Supplier shall be entitled to be paid the Contract Price attributable to the portion of the System executed as at the date of termination and the costs, if any, incurred in protecting the System and in leaving the site in a clean and safe condition pursuant to GCC Clause 41.2.3 (a). Any sums due the Procuring Entity from the Supplier accruing prior to the date of termination shall be deducted from the amount to be paid to the Supplier under this Contract.

41.2.6 If the Procuring Entity completes the System, the cost of completing the System by the Procuring Entity shall be determined. If the sum that the Supplier is entitled to be paid, pursuant to GCC Clause 41.2.5, plus the reasonable costs incurred by the Procuring Entity in completing the System, exceeds the Contract Price, the Supplier shall be liable for such excess. If such excess is greater than the sums due the Supplier under GCC Clause41.2.5, the Supplier shall pay the balance to the Procuring Entity, and if such excess is less than the sums due the Supplier under GCC Clause 41.2.5, the Procuring Entity shall pay the balance to the Supplier. The Procuring Entity and the Supplier shall agree, in writing, on the computation described above and the manner in which any sums shall be paid.

41.3 Termination by Supplier

41.3.1 If:

a) the Procuring Entity has failed to pay the Supplier any sum due under the Contract within the specified period, has failed to approve any invoice or supporting documents without just cause **pursuant to the SCC,** or commits a substantial breach of the Contract, the Supplier may give a notice to the Procuring Entity that requires payment of such sum, with interest on this sum as stipulated in GCC Clause 12.3, requires approval of such invoice or supporting documents, or specifies the breach and requires the Procuring Entity to remedy the same, as the case may be. If the Procuring Entity fails to pay such sum together with such interest, fails to approve such invoice or supporting documents or give its reasons for withholding such approval, fails to remedy the breach or take steps to remedy the breach within fourteen
(14) days after receipt of the Supplier's notice; or

b) the Supplier is unable to carry out any of its obligations under the Contract for any reason attributable to the Procuring Entity, including but not limited to the Procuring Entity's failure to provide possession of or access to the site or other areas or failure to obtain any governmental permit necessary for the execution and/or completion of the System; then the Supplier may give a notice to the Procuring Entity of such events, and if the Procuring Entity has failed to pay the outstanding sum, to approve the invoice or supporting documents, to give its reasons for withholding such approval, or to remedy the breach within twenty-eight (28) days of such notice, or if the Supplier is still unable to carry out any of its obligations under the Contract for any reason attributable to the Procuring Entity within twenty-eight (28) days of the said notice, the Supplier may by a further notice to the Procuring Entity referring to this GCC Clause 41.3.1, forth with terminate the Contract.

41.3.2 The Supplier may terminate the Contract immediately by giving a notice to the Procuring Entity to that effect, referring to this GCC Clause 41.3.2, if the Procuring Entity becomes bankrupt or insolvent, has a receiving order issued against it, compounds with its creditors, or, being a corporation, if a resolution is passed or order is made for its winding up (other than a voluntary liquidation for the purposes of amalgamation or reconstruction), a receiver is appointed over any part of its undertaking or assets, or if the Procuring Entity takes or suffers any other analogous action in consequence of debt.

41.3.3 If the Contract is terminated under GCC Clauses 41.3.1 or 41.3.2, then the Supplier shall immediately:

c) Cease all further work, except for such work as may be necessary for the purpose of protecting that part of the System already executed, or any work required to leave the site in a clean and safe condition;

d) Terminate all subcontracts, except those to be assigned to the Procuring Entity pursuant to Clause 41.3.3 (d) (ii);

e) remove all Supplier's Equipment from the site and repatriate the Supplier's and its Subcontractor's personnel from the site.

f) In addition, the Supplier, subject to the payment specified in GCC Clause 41.3.4, shall:

i) deliver to the Procuring Entity the parts of the System executed by the Supplier up to the date of termination;

ii) to the extent legally possible, assign to the Procuring Entity all right, title, and benefit of the Supplier to the System, or Subsystems, as of the date of termination, and, as may be required by the Procuring Entity, in any subcontracts concluded between the Supplier and its Subcontractors;

iii) to the extent legally possible, deliver to the Procuring Entity all drawings, specifications, and other documents prepared by the Supplier or its Subcontractors as of the date of termination in connection with the System.

41.3.4 If the Contract is terminated under GCC Clauses 41.3.1or 41.3.2, the Procuring Entity shall pay to the Supplier all payments specified in GCC Clause 41.1.3 and reasonable compensation for all loss, except for loss of profit, or damage sustained by the Supplier arising out of, in connection with, or in consequence of such termination.

41.3.5 Termination by the Supplier pursuant to this GCC Clause 41.3 is without prejudice to any other rights or remedies of the Supplier that may be exercised in lieu of or in addition to rights conferred by GCC Clause 41.3.

41.4 In this GCC Clause 41, the expression “portion of the System executed” shall include all work executed, Services provided, and all Information Technologies, or other Goods acquired (or subject to a legally binding

Obligation to purchase) by the Supplier and used or intended to be used for the purpose of the System, up to and including the date of termination.

41.5 In this GCC Clause 41, in calculating any monies due from the Procuring Entity to the Supplier, account shall be taken of any sum previously paid by the Procuring Entity to the Supplier under the Contract, including any advance payment paid **pursuant to the SCC.**

42 Assignment

42.1 Neither the Procuring Entity nor the Supplier shall, without the express prior written consent of the other, assign to any third party the Contractor any part thereof, or any right, benefit, obligation, or interest there in or there under, except that the Supplier shall be entitled to assign either absolutely or by way of charge any monies due and payable to it or that may become due and payable to it under the Contract.

I. Settlement of Disputes

43 Settlement of Disputes

43.1 **Adjudication**

43.1.1 If any dispute of any kind what so ever shall arise between the Procuring Entity and the Supplier in connection with or arising out of the Contract, including without prejudice to the generality of the foregoing, any question regarding its existence, validity, or termination, or the operation of the System (whether during the progress of implementation or after its achieving Operational Acceptance and whether before or after the termination, abandonment, or breach of the Contract), the parties shall seek to resolve any such dispute **by mutual consultation**. If the parties fail to resolve such a dispute by mutual consultation within fourteen (14) days after one party has notified the other in writing of the dispute, then, if the Contract Agreement in Appendix2 includes and names an Adjudicator, the dispute shall, within another fourteen (14) days, be referred in writing by either party to the Adjudicator, with a copy to the other party. If there is no Adjudicator specified in the Contract Agreement, the mutual consultation period stated above shall last twenty-eight (28) days (instead of fourteen), upon expiry of which either party may move to the notification of arbitration pursuant to GCC Clause43.2.1.

43.1.2 The Adjudicator shall give his or her decision in writing to both parties within twenty-eight (28) days of the dispute being referred to the Adjudicator. If the Adjudicator has done so, and no notice of intention to commence arbitration has been given by either the Procuring Entity or the Supplier within fifty-six (56) days of such reference, the decision shall become final and binding upon the Procuring Entity and the Supplier. Any decision that has become final and binding shall be implemented by the parties forth with.

43.1.3 The Adjudicator shall be paid an hourly fee at the rate specified in the Contract Agreement plus reasonable expenditures incurred in the execution of duties as Adjudicator, and these costs shall be divided equally between the Procuring Entity and the Supplier.

43.1.4 Should the Adjudicator resign or die, or should the Procuring Entity and the Supplier agree that the Adjudicator is not fulfilling his or her functions in accordance with the provisions of the Contract, a new Adjudicator shall be jointly appointed by the Procuring Entity and the Supplier. Failing agreement between the two within twenty-eight (28) days, the new Adjudicator shall be appointed at the request of either party by the Appointing Authority **specified in the SCC,** or, if no Appointing Authority is **specified in SCC,** the Contract shall, from this point onward and until the parties may otherwise agree on an Adjudicator or an Appointing Authority, be implemented as if there is no Adjudicator.

43.2 Arbitration

43.2.1 If

a) the Procuring Entity or the Supplier is dissatisfied with the Adjudicator's decision and acts before this decision has become final and binding pursuant to GCC Clause 43.1.2, or
b) the Adjudicator fails to give a decision within the allotted time from referral of the dispute pursuant to GCC Clause 43.1.2, and the Procuring Entity or the Supplier acts within the following fourteen (14) days, or
c) in the absence of an Adjudicator from the Contract Agreement, the mutual consultation pursuant to GCC Clause 43.1.1 expires without resolution of the dispute and the Procuring Entity or the Supplier acts within the following fourteen (14) days, then either the Procuring Entity or the Supplier may act to give notice to the other party, with a copy for information to the Adjudicator incase an Adjudicator had

been involved, of its intention to commence arbitration, as provided below, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given.

43.2.2 Any dispute in respect of which a notice of intention to commence arbitration has been given, in accordance with GCC Clause 43.2.1, shall be finally settled by arbitration. Arbitration may be commenced prior to or after Installation of the Information System.

43.2.3 Arbitration proceedings shall be conducted in accordance with the rules of procedure **specified in the SCC.**

43.3 Notwithstanding any reference to the Adjudicator or arbitration in this clause,

a) The parties shall continue to perform their respective obligations under the Contract unless they otherwise agree;

b) The Procuring Entity shall pay the Supplier any monies due the Supplier.

SECTION VII - SPECIAL CONDITIONS OF CONTRACT

Special Conditions of Contract

The following Special Conditions of Contract (SCC) shall supplement or amend the General Conditions of Contract (GCC). Whenever there is a conflict, the provisions of the SCC shall prevail over those in the General Conditions of Contract. For the purposes of clarity, any referenced GCC clause numbers are indicated in the left column of the SCC.

A. Contract and Interpretation

1. Definitions (GCC Clause1)

GCC 1.1 (b) (i)	The Procuring Entity is: ***County Government of Kisumu, Department of Finance, Economic Planning & ICT Services***
GCC 1.1 (b) (ii)	The Project Manager is: ***Director ICT*** ***Department of Finance, Economic Planning and ICT Services*** ***County Government of Kisumu*** ***Prosperity Building, 8th Floor*** ***P.O. Box 2738-40100 Kisumu***
GCC 1.1 (e) (ix)	***There are no Special Conditions associated with GCC 1.1 (e) (x).*** ***[Note: The GCC default specifies the Contract Period as when all the Supplier's obligations are completed. If there is a reason to set a hard-and-fast calendar date for the Contract Period to end, then specify here]***
GCC 1.1 (e) (xii)	The Post-Warranty Services Period is ***[insert: number of months]*** starting with the completion of the Warranty Period.

2. Notices (GCC Clause 4)

GCC 4.3	Address of the Project Manager: [***as appropriate, insert: personal delivery, postal, email, and/or EDI addresses.]*** Fallback address of the Procuring Entity: [***as appropriate, insert: personal delivery, postal, facsimile, email, and/or EDI addresses.]*** ***[Note:*** *If the Procuring Entity wishes to use Electronic Data Interchange (EDI) to communicate with the Supplier, it should specify the standards and protocols (for example ANSI A1 or ISO EDIFACT). The details may then be revised at Contract finalization. If so, add the following text.]* For Electronic Data Interchange (EDI) the Procuring Entity and Supplier will use the following standards, protocols, addresses, and procedures: ***[insert: standards, protocols, addresses; also describe: any relevant procedures]***

B. Subject Matter of Contract

3. Scope of the System (GCC Clause 7)

GCC 7.3	The Supplier's obligations under the Contract will include the following recurrent cost items, as identified in the Recurrent Cost tables in the Supplier's Tender: ***[specify: the recurrent cost items/services that are included in the Contract; also provide cross reference to the place in the Technical Requirements where each***

	item/service is specified in detail.] ***[Note**: The requirements in terms of recurrent cost items should be defined here, reflected in the Recurrent Cost Table for the Warranty period, and elaborated in the Technical Requirements. See also notes to SCC Clause 29.4 regarding services that are not typically included in commercial warranties.* *If the Procuring Entity expects that wear and tear on System components will necessitate routine replacement of such components, and if Procuring Entity technical staff will perform these repair and replacement tasks, the Procuring Entity may wish to consider adding the following clause to the SCC that obligates the Supplier to stock and/or provide certain spare parts.]* The Supplier agrees to supply spare parts required for the operation and maintenance of the System, as stated below, for ***[insert: number of years]*** years beginning with Operational Acceptance. Moreover, the price of such spare parts shall be those specified in the spare parts price schedule submitted by the Suppler as part of its Tender. These prices shall include the purchase price for such spare parts and other costs and expenses (including the Supplier's fees) relating to the supply of spare parts. ***[list the spare parts needs, or reference the line items in the Spare Parts Price Schedule in the Supplier's Tender, if the Supplier is the source of the identity of the spares, i.e., reflecting its own understanding of its own technologies.]*** **[*Note:** The need to ensure the availability of spare parts sources, above and beyond those the Supplier would routinely and implicitly need to perform under its defect liability and/or maintenance responsibilities, generally is not a major issue for the Information Technologies available in the market today. A System is likely to become obsolete long before it begins to develop physical defects.]*

4. Time for Commencement and Operational Acceptance (GCC Clause 8)

GCC 8.1	The Supplier shall commence work on the System within: [***insert: number of*** days***]*** days from the Effective Date of the Contract.

5. Supplier's Responsibilities (GCC Clause 9)

C. PAYMENT

6. Contract Price (GCC Clause 11)

GCC 11.2	Adjustments to the Contract Price shall be as follows***: [state: "not applicable" or specify: the items, adjustment formula or formulas, and the relevant price indices].*** **[*Note:** Price adjustment is not generally associated with Information System procurements. Price adjustment may be appropriate when: (i) performance of the Contract is expected to last more than eighteen months; (ii) the cost of an important input, such as labor, is subject to inflation (or deflation); and (iii) meaningful price indices are readily available and well accepted. Thus, for example, if the Contract provides a substantial number of recurrent cost items following Operational Acceptance, would the inclusion of an SCC to permit adjustment be appropriate. In such cases, adjustment should be limited to those items only and use appropriate indices that*

	accurately mirror the relevant price trends.]

7. Terms of Payment (GCC Clause 12)

GCC 12.1	Subject to the provisions of GCC Clause 12 (Terms of Payment), the Procuring Entity shall pay the Contract Price to the Supplier according to the categories and in the manner specified below. Only the categories Advance Payment and Complete System Integration relate to the entire Contract Price. In other payment categories, the term "total Contract Price" means the total cost of goods or services under the specific payment category. Within each such category, the Contract Implementation Schedule may trigger pro-rata payments for the portion of the total Contract Price for the category corresponding to the goods or services actually Delivered, Installed, or Operationally Accepted, at unit prices and in the currencies specified in the Price Schedules of the Contract Agreement. (a) Advance Payment twenty percent (20%) of the entire Contract Price, exclusive of all Recurrent Costs, shall be paid against receipt of a claim accompanied by the Advance Payment Security specified in GCC Clause 13.2. ***[Note:*** *The advance payment may be higher than 10% in cases where Supplier's mobilization costs (i.e., costs between Contract effectiveness and the first scheduled Contract payment) are likely to be much larger than the advance payment, resulting in substantial negative cash flow for the Supplier. This happens primarily in projects where the Supplier must acquire expensive highly-specialized equipment to customize and configure a solution system prior to the first scheduled payment milestone. In these cases, the entire schedule of payments below obviously needs to be adjusted accordingly.]* (b) Information Technologies, Materials, and other Goods, with the exception of Custom Software and Custom Materials: sixty percent (60%) of the total or pro-rata Contract Price for this category against Delivery ten percent (10%) of the same price against Installation ten percent (10%) of the same price against Operational Acceptance. (c) Custom Software and Custom Materials: sixty percent (60%) of the total or pro-rata Contract Price for this category against Installation twenty percent (20%) of the same price against Operational Acceptance. ***[Note:*** *Large custom software development or system integration contracts (e.g., those taking longer than six months from Contract Effectiveness to Operational Acceptance of the Application Software subsystem) are usually paid in increments against Procuring Entity's acceptance of major intermediate deliverables defined in the implementation schedule as key milestones (e.g. a sequence of major system design documents, such as: software requirements specifications, software design document, development of a prototype for a major subsystem, delivery of a pilot implementation of the software for a subsystem or the entire system, etc.). In those cases, the above payment terms should be modified accordingly and refer to the milestones in the Implementation Schedule. The payment terms should allow the Supplier an adequate cash flow vis-à-vis the steps need to achieve an operational Information System.]*

	(d) Services other than Training: eighty percent (80%) of the pro-rata Contract Price for services performed will be paid monthly in arrears, on submission and Procuring Entity's approval of invoices: ***[Note:*** *Some Contracts may involve considerable "Services other than Training" (and services other than software customization). For instance, there could be the digitization of maps using the procured Geographical Information System (GIS), or the scanning, indexing and conversion of paper documents, or the conversion or migration of existing electronic data sets. In these cases, payment may be keyed to acceptance of intermediate deliverables or completion of service delivery phases defined in the project implementation schedule, rather than merely to the passage of time, as illustrated. In designing this type of payment terms, the Procuring Entity has an obligation to balance and ensure consistency between its own interest to pay only against value received, the supplier's need for a reasonable cash flow, the design of the project implementation schedule, the specification of service milestones and even the process for acceptance testing of intermediate deliverables (when milestones completion would be subject to such testing).]* (e) Training thirty percent (30%) of the total Contract Price for training services at the start of the full training program fifty percent (50%) of the pro-rata Contract Price for training services performed will be paid monthly in arrears, on submission and approval of appropriate invoices. (f) Complete System Integration ten percent (10%) of the entire Contract Price, exclusive of all Recurrent Costs, as final payment against Operational Acceptance of the System as an integrated whole. (g) Recurrent Costs one hundred percent (100%) of the price of the services actually delivered will be paid quarterly in arrears, on submission and Procuring Entity's approval of invoices. ***[Note:*** *If a separate Operational Acceptance for the System as an integrated whole is not required, increase by 10% points the final payment percentages of all other goods and services above.]*
GCC 12.3	The Procuring Entity shall pay to the Supplier interest on the delayed payments at a rate of: [***0% per annum].***
GCC 12.4	The Supplier will invoice the Procuring Entity in the currency used in the Contract Agreement and the Price Schedules it refers to, for Goods and Services supplied locally, and the conversion between this currency and Kenya shillings for payment purposes - in case the two currencies are different - will be made as of the actual payment date using the exchange rate found in *[Central Bank of Kenya].*

8. Securities (GCC Clause 13)

GCC 13.3.1	The Performance Security shall be denominated in ***[Kenya Shillings]*** for an amount equal to ***[2%]*** percent of the Contract Price, excluding any Recurrent Costs.
GCC 13.3.4	During the Warranty Period (i.e., after Operational Acceptance of the System), the

	Performance Security shall be reduced to ***[insert: number]*** percent of the Contract Price, excluding any Recurrent Costs. *[Note: An appropriate amount for the Performance Security for a (three-year) Warranty Period would be between one (1) and two and a half (2.5) percent of the Contract Price including Recurrent Costs for the Warranty period.]*

D. Intellectual Property

9. Copyright (GCC Clause 15)

GCC 15.3	***There are no Special Conditions of Contract applicable to GCC Clause 15.3*** *[Note: If the Procuring Entity is a corporate or commercial entity, it may choose to specify the conditions under which contractual rights would be conveyed to any Procuring Entity of the concern, or any successor entities following a group reorganization or bankruptcy or other insolvency procedures. Procuring Entities with other organizational structures may need to add other similar provisions.]*
GCC 15.4	***There are no Special Conditions of Contract applicable to GCC Clause 15.4[Note:*** *There is a broad spectrum of strategies that the Procuring Entity can adopt regarding Intellectual Property Rights in Custom Software (and in Custom Materials). One extreme case is that the Procuring Entity retains all Intellectual Property Rights and tightly restricts what the Supplier can do with the Custom Software and information related to it. This approach may be appropriate when the Procuring Entity has highly sensitive procedures embedded in the Custom Software (e.g., a central bank's settlement system) or commercial competitive concerns regarding wider use of the Software, designs, or information, or where the Procuring Entity considers that it is contributing valuable know-how to the development of the Custom Software and wishes to share in future profits with the Supplier that derives from exploitation of that know-how. The other extreme case is where the Procuring Entity retains no Intellectual Property Rights in the Custom Software and only licenses its use from the Supplier. This approach is most appropriate when the Supplier wants to take advantage of the potential cost reduction in allowing the Supplier to commercialize the Custom Software (rather than sharing in future profits) and where the Procuring Entity has no proprietary or commercial concerns regarding its reuse.* *A wide variety of intermediate arrangements can be appropriate, depending on the circumstances. These would entail variations of what the Procuring Entity is entitled to do with the software, designs, and related information (and under what conditions). These rights and obligations include the following: (i) duplicating and using the software on different equipment, such as back-ups, additional computers, replacements, upgraded units, etc.; (ii) transferring the license or sublicensing the software for other entities to use, modify, develop, commercialize, etc.; (iii) sharing proprietary information regarding the Custom Software with various parties. The Procuring Entity's obligations and rights (and the conditions under which those rights and obligations apply) can vary substantially also. These include: (i) what the Procuring Entity must and can do with the CASE files, Source Code, and executable code of the Custom Software; (ii) sharing, reselling, and otherwise providing access to the software, designs and related information; and (iii) auditing for license compliance.* *The Supplier's rights in relation to the Custom Software may:* • *Be limited to use in order to support the Procuring Entity; or*

- *Extend to commercial exploitation by re-licensing to third-party customers.*

If the Supplier's rights extend to commercial exploitation, they may be limited as follows:

- *There may be an interim period, designed to protect the Procuring Entity's competitive edge, during which the Supplier is not permitted to exploit commercially; and/or*
- *The Supplier may be prohibited from licensing the Custom Software to certain categories of customer (for example, direct competitors of the Procuring Entity) or in certain territories (for example, Kenya), either for a limited period or indefinitely; and/or*
- *The Supplier may be required to pay royalties to the Procuring Entity when it licenses third parties to use the Custom Software.*

The first two of these categories of limitation are intended to protect the Procuring Entity's competitive edge. The third is intended to allow the Procuring Entity to share in future profits made by the Supplier through exploitation of the Custom Software. Royalty arrangements will have to be backed up by obligations to report to the Procuring Entity regarding future sales of products to which royalties apply and audit rights so that the Procuring Entity can check that the Supplier's reports are accurate. Clearly, if royalty arrangements are put in place, the value of the Custom Software to the Supplier is reduced, so the Procuring Entity may not benefit from an up-front cost saving.

The Procuring Entity's rights in relation to the Custom Software may also be restricted to "user" rights or extended to commercial exploitation. If the Procuring Entity is to be treated as a mere user of the Custom Software, it might accept restrictions on use similar to those imposed in relation to the Standard Software (indeed, the default position in the GCC is that the Custom Software will be licensed to the Procuring Entity on exactly the same terms as the Standard Software if the Intellectual Property Rights in the Custom Software does not vest in the Procuring Entity). It may, however, also expect to have access to, and a right to use, CASE files and Source Code to the Custom Software (whereas, at best, Source Code to the Standard Software is likely to be deposited in escrow).

If the Procuring Entity is to be permitted to exploit the Custom Software commercially, its exploitation rights may be limited in similar ways to the ways in which the Procuring Entity's own usage rights to the Custom Software may be limited.

It may be appropriate to apply different arrangements to various elements of the Custom Software, according to their commercial sensitivity and potential for exploitation and the degree of competitive advantage that they afford to the Procuring Entity.

The various possible arrangements can be achieved by a variety of contractual mechanisms. Ownership of Intellectual Property Rights in the Custom Software may vest the Supplier or the Procuring Entity, with the owner of those rights granting an appropriate license to the other party. This license may be subject to various degrees of exclusivity, depending on the desired commercial outcome (for example, the Supplier may own the Intellectual Property Rights in the Custom Software by granting to the Procuring Entity a license that is exclusive, in relation to exploitation in

	Kenya, for two years). *If an exclusive license is to be granted, competition law issues will need to be considered in some jurisdictions.* *Each is sufficiently different as to render virtually all sample text inappropriate in numerous cases. Accordingly, the Procuring Entity of Custom Software will, in most instances, require the services of an appropriately skilled lawyer to draft SCC for the rights and obligations regarding Custom Software (more particularly, the variety of rights and obligations that potentially apply to different items of Custom Software).]*
GCC 15.5	***There are no Special Conditions of Contract applicable to GCC Clause 15.5*** ***[Note:*** *Special software escrow arrangements are generally needed in relation to Contracts for the supply of Software, particularly Application Software, where there is concern about the ability of the Supplier to provide ongoing support throughout the life of the System. The protection provided by an escrow arrangement, however, should be weighed against the costs of administering it. The actual language of the escrow contract will vary depending on the laws of the country in which the escrow deposit is to be made (which may be Kenya or another country with a suitable legal regime) and the escrow agent selected (escrow agents generally have their own standard form contracts). Provisions may cover:* *(i) the Supplier's obligations to deliver the Source Code to the escrow agent and make replacement deposits to ensure that the Source Code is up to date;* *(ii) the Supplier's warranties that the Source Code is at all times capable of being used to generate the latest version of the executable code to the relevant Software in use by the Procuring Entity and suitable to enable the Procuring Entity to support and develop the Software;* *(iii) the escrow agent's obligations to keep the Source Code secure and confidential;* *(iv) the escrow agent's obligations in relation to verification of the Source Code (to ensure that it is Source Code and that it is capable of generating the executable code);* *(v) the obligations of the Supplier and the Procuring Entity in relation to payment of the escrow agent's fee;* *(vi) the escrow agent's right and obligation to release the Source Code to the Procuring Entity in certain specified "release events" (e.g., bankruptcy or insolvency of the Supplier or the Supplier's failure to make deposits or to support the Software);* *(vii) limitations and exclusions of the escrow agent's liability;* *(viii) the circumstances in which the escrow arrangement will terminate, and what will happen to the deposited Source Code on termination; and* *(ix) confidentiality undertakings to be given by the Procuring Entity on release of the Source Code.]*

10. Software License Agreements (GCC Clause 16)

GCC 16.1 (a) (iv)	***There are no Special Conditions of Contract applicable to GCC Clause 16.1 (a) (iv)*** ***[Note:*** *In the interest of soliciting lower Tender prices, Procuring Entities may wish to consider defining limitations in the use of the software. For example:* *(a) restrictions on the number of records in particular categories that may be held by the System;* *(b) restrictions on the numbers of transactions in particular categories that may be processed by the System in any day, week, month, or other specified period;* *(c) restrictions on the number of persons who may be authorized to use the System at any time;* *(d) restrictions on the number of persons who may access the System simultaneously at any time; or* *(e) restrictions on the number of workstations that may be connected to the System at any time.* *Note that, from the point of view of the Procuring Entity, if restrictions of any of these kinds (or any similar kind) are to be imposed and there is a real likelihood that the limits may be reached, it would be better to specify additional license fees that are payable when the limits are reached rather than imposing an absolute prohibition on exceeding the limits.]*
GCC 16.1 (b) (vi)	***There are no Special Conditions of Contract applicable to GCC Clause 16.1 (b) (vi)*** *[Note: The Procuring Entity may also wish to specify, for example, that such entities shall be not direct competitors of the Supplier.]*
GCC 16.1 (b) (vii)	***There are no Special Conditions of Contract applicable to GCC Clause 16.1 (b) (vii)*** *[Note: The Procuring Entity may, for example, wish to specify the members of the Procuring Entity's business group that are not direct competitors of the Supplier and that the Procuring Entity must obtain and provide the Supplier written evidence from such parties that such parties will adhere by the terms of the Contract as if they were party to the Contract.]*
GCC 16.2	***There are no Special Conditions of Contract applicable to GCC Clause 16.2*** *[Note: If on-site audits are acceptable, the Procuring Entity may specify conditions on the duration and number of audits per year; the hours or days during which audits may be conducted; the categories of software subject to audit; the procedures for access to Procuring Entity's hardware or software; the number and affiliation of individual auditors; the timing and terms of advance notice; the indemnity by Supplier for losses, liabilities, and costs incurred by the Procuring Entity as a direct result of the audit; etc.].*

11. Confidential Information (GCC Clause 17)

GCC 17.1	***There are no Special Conditions of Contract applicable to GCC Clause 17.1*** *[Note: The Procuring Entity may wish to give members of its business group or related agencies, for example, access to certain specific types of technical and / or financial information it obtains or develops with respect to the Supplier and its Information Technologies. The SCC covering such an exemption should define the individuals covered and generally provide that the Procuring Entity will ensure that such parties are aware of and will adhere by the Procuring Entity's obligations under GCC Clause 17 as if such party*

	were a party to the Contract in place of the Procuring Entity. ***if necessary and appropriate, specify: persons, topics, and conditions for which the confidentiality clause does not apply.]***

E. Supply, Installation, Testing, Commissioning, and Acceptance of the System

12. Representatives (GCC Clause 18)

GCC 18.1	***There are no Special Conditions of Contract applicable to GCC Clause 18.1*** ***[Note:** If appropriate specify additional powers or limitations.]* The Procuring Entity's Project Manager shall have the following additional powers and / or limitations to his or her authority to represent the Procuring Entity in matters relating to the Contract ***[state necessary and appropriate clauses].***
GCC 18.2.2	***There are no Special Conditions of Contract applicable to GCC Clause 18.2.2*** ***[Note:** If appropriate specify additional powers or limitations.]* The Supplier's Representative shall have the following additional powers and / or limitations to his or her authority to represent the Supplier in matters relating to the Contract ***[state necessary and appropriate clauses].*** ***[Note:** Any additional powers or limitations of the Supplier's Representative will, of necessity, be subject to discussions at Contract finalization and the SCC amended accordingly.]*

13. Project Plan (GCC Clause 19)

GCC 19.1	Chapters in the Project Plan shall address the following subject**:** ***(a) Project Organization and Management Sub-Plan, including management authorities, responsibilities, and contacts, as well as task, time and resource-bound schedules (in GANTT format);*** ***(b) Implementation Sub-Plan;*** ***(c) Training Sub-Plan;*** ***(d) Testing and Quality Assurance Sub-Plan;*** ***(e) Warranty Defect Repair and Technical Support Service Sub-Plan*** ***Further details regarding the required contents of each of the above chapters are contained in the Technical Requirements, (insert: reference)].***
GCC 19.6	***The Supplier shall submit to the Procuring Entity:*** ***(i) monthly inspection and quality assurance reports*** ***(ii) monthly training participants test results*** ***(iii) monthly log of service calls and problem resolutions***

14. Design and Engineering (GCC Clause 21)

GCC 21.3.1	***There are no Special Conditions of Contract applicable to GCC Clause 21.3.1.*** ***[Note:*** *If necessary and appropriate, specify the Controlling Technical Documents (i.e., document that must be approved by the Procuring Entity's Project Manager before any relevant downstream work can be undertaken by the Supplier).]* *[The Supplier shall prepare and furnish to the Project Manager the following documents for which the Supplier must obtain the Project Manager's approval before proceeding with work on the System or any Subsystem covered by the documents.* ***[state "none" or specify, for example:*** ***(*) detailed site surveys;*** ***(*) final Subsystem configurations;*** ***(*) etc.***

15. Product Upgrades (GCC Clause 23)

GCC 23.4	***There are no Special Conditions of Contract applicable to GCC Clause 23.4.*** *[Note: Mandating that all new versions, releases, and updates of Standard Software will be passed on for free during the Warranty Period is a comprehensive requirement, the benefits of which must be balanced against the perceived costs in the mind of the successful Tenderer at the time of tender submission. To require the Supplier to provide for free only new releases and updates, but agreeing that it would be reimbursed for the supply of complete new versions might be more cost-effective. For example, this may be particularly appropriate when the Procuring Entity would not benefit from costs of migrating its business applications to an entirely new version of the underlying database system if such a version came out during a three Warranty Period. Another approach may be to shorten the time period during which updates, etc., would have to be supplied for free, for example, to only the first year of the Warranty Period; or alternatively, a narrower set of Standard Software could be covered.]*

16. Inspections and Tests (GCC Clause 25)

GCC 25	***There are no Special Conditions of Contract applicable to GCC Clause 25.*** *[Note: Procuring Entity's may wish to consider employing qualified inspectors to inspect and certify the Information Technologies, Materials, and other Goods prior to shipment. This can minimize the number of cases where the Procuring Entity receives shipped goods that do not conform to the Technical Requirements and shorten the repair or replacement time.]*

17. Commissioning and Operational Acceptance (GCC Clause 27)

GCC 27.2.1	***There are no Special Conditions of Contract applicable to GCC Clause 27.2.1.*** *[Note: Few aspects of Information Technology procurement are more critical to the successful implementation of a System than the specification of Operational Acceptance Tests. It is imperative that the Procuring Entity prepare the specification for these tests as carefully as the overall specification of the System itself. The description should be sufficiently comprehensive, unambiguous, and verifiable to result in proper operation of the System with minimal confusion or controversy between the Procuring Entity and its management, the*

	Supplier, and any users. *In addition, where the Contract covers the Installation and acceptance testing of a number of Subsystems, the nature of the acceptance tests required for each Subsystem, and for the final tests to be carried out on the entire System once all Subsystems have been completed, needs to be clearly specified here and/or in the Technical Requirements and which party bears responsibility for correcting any defects discovered during the final tests of the entire System needs to be identified.]*

F. Guarantees and Liabilities

18. Operational Acceptance Time Guarantee (GCC Clause 28)

GCC 28.2	***There are no Special Conditions of Contract applicable to GCC Clause 28.2.*** ***[Note:*** *Typical percentages are, respectively, one half of one percent (0.5%) per week and ten percent (10%) of the total. In some instances, the Procuring Entity may wish to consider specifying liquidated damages on a daily basis. If so, specify this in the SCC].*
GCC 28.3	***There are no Special Conditions of Contract applicable to GCC Clause 28.3.*** *[Note: Establishing more milestones for liquidated damages may provide a somewhat greater degree of control and assurances regarding the pace of the implementation of the System. However, this will come at a price of increased complexity of Contract management and increased perceptions of financial risks on the part of Tenderers. This most likely will lead to higher tender prices. In most cases, Operational Acceptance should be the most appropriate financial control for ensuring the timeliness of implementation, since it captures the impact of earlier delays and is, in the final analysis, the milestone that truly matters. Whatever milestones are selected, it is critical that the Implementation Schedule precisely specify what Subsystems or other components are covered and when the milestone is set. These, of course, can be refined and revised through the Agreed Project Plan.]*

19. Defect Liability (GCC Clause 29)

GCC 29.1	***There are no Special Conditions of Contract applicable to GCC Clause 29.1.*** *[Note: Software is never completely error or "bug" free. Thus, the Procuring Entity may wish to refine or to limit the Supplier's warranty obligations. Properly done, this can reduce Tenderer's perceptions of financial risk and help lower tender prices. However, the Procuring Entity should balance the potential savings against the risks to reliable and effective operation of the System and the related costs to the Procuring Entity. These tradeoffs are very specific to the type of the System and its uses. These tradeoffs are also changing very rapidly with technological development. The Procuring Entity should consult experts in the relevant areas for an up-to-date assessment of the risks and the most appropriate text to express any such exceptions and limitations.]*
GCC 29.4	***There are no Special Conditions of Contract applicable to GCC Clause 29.4.*** ***[Note:*** *When defining the Warranty period, Procuring Entity should be careful to recognize that services such as resident engineer support, new software releases and end-user help desk support are not typically included in commercial warranties and should be priced separately in the Recurrent Cost Table].*
GCC 29.10	***There are no Special Conditions of Contract applicable to GCC Clause 29.10*** ***[Note:*** *Typically, the Procuring Entity should develop a set of response times for different degrees of seriousness of the defects and/or categories of IT and/or specific Subsystems. The most appropriate and economical set of response times are highly dependent on the specific System, its use, and the relevant conditions in Kenya.* *The GCC specifies that the Supplier must commence work on warranty defects within a*

	maximum of two weeks; else the Procuring Entity may contract-in such services at the Supplier's expense. The Procuring Entity may wish to shorten or lengthen this period in the SCC. The time specified must strike a reasonable balance between the response time the typical qualified Supplier can physically achieve and the importance of maintaining continued System operation. If too short a time period is specified, Suppliers will need to protect themselves by adding a contingency to their tender prices.]

20. Functional Guarantees (GCC Clause 30)

GCC 30	***There are no Special Conditions of Contract applicable to GCC Clause 30.*** *[Note: In the event that Information Systems and Technologies would have to conform to other calendar system(s), here would be the place to specify related requirements in addition to, or in variation of, the requirements in GCC clause 30.2.]*

G. Risk Distribution

21. Insurances (GCC Clause 37)

GCC 37.1 (c)	The Supplier shall obtain Third-Party Liability Insurance in the amount of ***[insert: monetary value]*** with deductible limits of no more than ***[insert: monetary value].*** The insured Parties shall be ***[list insured parties].*** The Insurance shall cover the period from ***[insert: beginning date, relative to the Effective Date of the Contract]*** until ***[insert: expiration date, relative to the Effective Date of the Contract or its completion].***
GCC 37.1 (e)	***There are no Special Conditions of Contract applicable to GCC Clause 37.1 (e).*** ***[Note: Many countries have statutory requirements for various insurances. These should be reviewed with the Procuring Entity's legal department.*** *For example:* *The Supplier shall obtain Worker's Compensation Insurance in accordance with the statutory requirements of [insert: **Kenya**]. Specifically: [insert**: requirements**]. The Insurance shall cover the period from [insert: **beginning date, relative to the Effective Date of the Contract**] until [insert: **expiration date, relative to the Effective Date of the Contract or its completion**].* *The Supplier shall obtain Employer's Liability Insurance in accordance with the statutory requirements of **[insert: Kenya].** Specifically: [**insert: requirements].** The Insurance shall cover the period from **[insert: beginning date, relative to the Effective Date of the Contract]** until **[insert: expiration date, relative to the Effective Date of Contract or its completion].***

H. Change in Contract Elements

22. Changes to the System (GCC Clause 39)

GCC 39.4.3	**Value Engineering** If the value engineering proposal is approved by the Procuring Entity the amount to be paid to the Supplier shall be ___% (insert appropriate percentage. The percentage is normally up to 50%) of the reduction in the Contract Price.

I. Settlement of Disputes

23. Settlement of Disputes (GCC Clause 43)

GCC 43.1.4	The Appointing Authority for the Adjudicator is: ***[insert: the name of an impartial international technical organization in the information technology sector, or, if no Adjudicator is used in this Contract Agreement or no organization has been identified and agreed to serve as Appointing Authority for the Adjudicator, state "not applicable."].***
GCC 43.2.3	If the Supplier is from outside Kenya arbitration proceedings shall be conducted in accordance with the rules of arbitration of *[select one of the following:* ***UNCITRAL / the International Chamber of Commerce (ICC) / the Arbitration Institute of the Stockholm Chamber of Commerce / the London Court of International Arbitration****]*. These rules, in the version in force at the time of the request for arbitration, will be deemed to form part of this Contract. If the Supplier is a national of Kenya, any dispute between the Procuring Entity and a Supplier arising in connection with the present Contract shall be referred to arbitration in accordance with the laws of Kenya.

SECTION VIII - CONTRACT FORMS

Notes to the Procuring Entity on preparing the Contract Forms.

Performance Security: Pursuant to GCC Clause 13.3, the successful Tenderer is required to provide the Performance Security within twenty-eight (28) days of notification of Contract award.

Advance Payment Security: Pursuant to Clause13.2, the successful Tenderer is required to provide a bank guarantee securing the Advance Payment, if the SCC related to GCC Clause 12.1 provides for an Advance Payment.

Installation and Operational Acceptance Certificates: Recommended formats for these certificates are included in this SPD. Unless the Procuring Entity has good reason to require procedures that differ from those recommended, or to require different wording in the certificates, the procedures and forms shall be included unchanged. If the Procuring Entity wishes to amend the recommended procedures and/ or certificates, it may do so before release of the tendering document to potential Tenderers.

Change Order Procedures and Forms: Similar to the Installation and Operational Acceptance Certificates, the Change Estimate Proposal, Estimate Acceptance, Change Proposal, Change Order, and related Forms should be included in the tendering document unaltered. If the Procuring Entity wishes to amend the recommended procedures and/ or certificates, it may do so before release of the tendering document.

Notes to Tenderers on working with the Sample Contractual Forms

The following forms are to be completed and submitted by the successful Tenderer following notification of award: (i) Contract Agreement, with all Appendices; (ii) Performance Security; and (iii) Advance Payment Security.

Contract Agreement: In addition to specifying the parties and the Contract Price, the Contract Agreement is where the: (i) Supplier Representative; (ii) if applicable, agreed Adjudicator and his/her compensation; and (iii) the List of Approved Subcontractors are specified. In addition, modifications to the successful Tenderer's Tender Price Schedules are attached to the Agreement. These contain corrections and adjustments to the Supplier's tender prices to correct errors, adjust the Contract Price to reflect - if applicable - any extensions to tender validity beyond the last day of original tender validity plus 56 days, etc.

Performance Security: Pursuant to GCC Clause 13.3, the successful Tenderer is required to provide the Performance Security in the form contained in this section of these tendering documents and in the amount specified in accordance with the SCC.

Advance Payment Security: Pursuant to GCC Clause 13.2, the successful Tenderer is required to provide a bank guaranteeforthefullamountoftheAdvancePayment-ifanAdvancePaymentisspecifiedintheSCCforGCCClause 12.1- in the form contained in this section of these tendering documents or another form acceptable to the Procuring Entity. If a Tenderer wishes to propose a different Advance Payment Security form, it should submit a copy to the Procuring Entity promptly for review and confirmation of acceptability before the tender submission deadline.

The Procuring Entity and Supplier will use the following additional forms during Contract implementation to formalize or certify important Contract events: (i) the Installation and Operational Acceptance Certificates; and (ii) the various Change Order forms. These and the procedures for their use during performance of the Contract are included in the tendering documents for the information of Tenderers.

1. Notification of Intention to Award

[*This Notification of Intention to Award shall be sent to each Tenderer that submitted a Tender.*]
[*Send this Notification to the Tenderer's Authorized Representative named in the Tenderer Information Form*]

1) For the attention of Tenderer's Authorized Representative Name: ..... [insert Authorized Representative's name]
Address: ..... *[insert Authorized Representative's Address]*
Telephone/Fax numbers: ..... *[insert Authorized Representative's telephone/fax numbers]*
Email Address: ..... *[insert Authorized Representative's email address]*

[IMPORTANT: insert the date that this Notification is transmitted to all participating Tenderers. The Notification must be sent to all Tenderers simultaneously. This means on the same date and as close to the same time as possible.]

DATE OF TRANSMISSION: .....This Notification is sent by: [*email/fax*] on[*date*](local time)
Notification of Intention to Award
[Procuring Entity]: ..... *[insert the name of the Procuring Entity]*
Project: .....*[insert name of project]*
Contract title: ..... *[insert the name of the contract]*
Country: .....*[insert country where ITT is issued]*
ITT No: ..... *[insert ITT reference number from Procurement Plan]*

This Notification of Intention to Award (Notification) notifies you of our decision to award the above contract. The transmission of this Notification begins the Standstill Period. During the Standstill Period you may:

a) Request a debriefing inrelation to the evaluation of your Tender, and/ or

b) Submit a Procurement-related Complaint in relation to the decision to award the contract.

i) The successful Tenderer

Name:	[*insert name of successful Tenderer*]
Address:	[*insert address of the successful Tenderer*]
Contract price:	[*insert contract price of the successful Tenderer*]
Total combined score:	[*insert the total combined score of the successful Tenderer*]

2) Other Tenderers ***[INSTRUCTIONS: insert names of all Tenderers that submitted a Tender. If the Tender's price was evaluated include the evaluated price as well as the Tender price as read out.]***

Name of Tenderer	Technical Score (If applicable)	Tender price	Evaluated Tender Cost	Combined Score (if applicable)
[*insert name*]	[*insert technical score*]	[*insert Tender price*]	[*insert evaluated cost*]	[*insert combined score*]
[*insert name*]	[*insert Technical score*]	[*insert Tender price*]	[*insert evaluated cost*]	[*insert combined score*]
[*insert name*]	[*insert Technical score*]	[*insert Tender price*]	[*insert evaluated cost*]	[*insert combined score*]
[*insert name*]	[*insert Technical score*]	[*insert Tender price*]	[*insert evaluated cost*]	[*insert combined score*]
[*insert name*]	[*insert Technical score*]	[*insert Tender price*]	[*insert evaluated cost*]	[*insert combined score*]

3) ***Reason/s why your Tender was unsuccessful [Delete if the combined score already reveals the reason]***

[INSTRUCTIONS; State the reason/s why this Tenderer's Tender was unsuccessful. Do NOT include: (a) a point by point comparison with another Tenderer's Tender or (b) information that is marked confidential by the Tenderer in its Tender.]

4) ***How to request a debriefing***

DEADLINE: The deadline to request a debriefing expires at midnight on [*insert date*] (local time).

You may request a debriefing in relation to the results of the evaluation of your Tender. If you decide to request a debriefing your written request must be made within three (3) Business Days of receipt of this Notification of Intention to Award.

Provide the contract name, reference number, name of the Tenderer, contact details; and address the request for debriefing as follows:

Attention: [*insert full name of person, if applicable*] **Title/position**:____[*insert title/position*]

Agency: [*insert name of Procuring Entity*] **Email address**:_____[*insert email address*] **Fax**

number:_____[*insert fax number*] ***delete if not used***

If your request for a debriefing is received within the 3 Business Days deadline, we will provide the debriefing within five (5) Business Days of receipt of your request. If we are unable to provide the debriefing within this period, the Standstill Period shall be extended by five (5) Business Days after the date that the debriefing is provided. If this happens, we will notify you and confirm the date that the extended Standstill Period will end.

The debriefing may be in writing, by phone, video conference call or in person. We shall promptly advise you in writing how the debriefing will take place and confirm the date and time.
If the deadline to request a debriefing has expired, you may still request a debriefing. In this case, we will provide the debriefing as soon as practicable, and normally no later than fifteen (15) Business Days from the date of publication of the Contract Award Notice.

5) How to make a complaint

DEADLINE: The deadline for submitting a Procurement-related Complaint challenging the decision to award the contract expires on midnight, [*insert date*] (local time).

Provide the contract name, reference number, name of the Tenderer, contact details; and address the Procurement-related Complaint as follows:

Attention: [*insert full name of person, if applicable*] **Title/position**:____[*insert title/position*]

Agency: [*insert name of Procuring Entity*] **Email address**:_____[*insert email address*]

At this point in the procurement process, you may submit a Procurement-related Complaint challenging the decision to award the contract. You do not need to have requested, or received, a debriefing before making this complaint. Your complaint must be submitted within the Standstill Period and received by us before the Standstill Period ends. Further information:

For more information refer to the Public Procurement and Disposals Act 2015 and its Regulations available from the Website info@ppra.go.ke or complaints@ppra.go.ke.

In summary, there are four essential requirements:

1. You must be an' interested party'. In this case, that means a Tenderer who submitted a Tender in this procurement, and is the recipient of a Notification of Intention to Award.
2. The complaint can only challenge the decision to award the contract.
3. You must submit the complaint within the deadline stated above.
4. You must include, in your complaint, all of the information required by the Procurement Regulations (as described in Annex III).

6) Standstill Period

DEADLINE: The Standstill Period is due to end at midnight on [*insert date*] (local time).

The Standstill Period lasts ten (10) Business Days after the date of transmission of this Notification of Intention to Award.

The Standstill Period may be extended. This may happen where we are unable to provide a debriefing within the five (5) Business Day deadline. If this happens we will notify you of the extension.

If you have any questions regarding this Notification please do not hesitate to contact us. On behalf of the Procuring Entity:

Signature: _____

Name: _____

Title/position:

_____

Telephone: _____

Email: _____

2 REQUEST FOR REVIEW

FORM FOR REVIEW(r.203(1))

PUBLIC PROCUREMENT ADMINISTRATIVE REVIEW BOARD

APPLICATION NO…….OF…….20……...

BETWEEN

……...…….APPLICANT

AND

……RESPONDENT (Procuring Entity)

Request for review of the decision of the…… (Name of the Procuring Entity of ……dated the…day of ……20…….in the matter of Tender No……..…of ……..20….. for .....(Tender description).

REQUEST FOR REVIEW

I/We……,the above named Applicant(s), of address: Physical address…….P. O. Box No…… Tel. No……..Email ……, hereby request the Public Procurement Administrative Review Board to review the whole/part of the above mentioned decision on the following grounds , namely:

1.

2.

By this memorandum, the Applicant requests the Board for an order/orders that:

1.

2.

SIGNED ……(Applicant) Dated on…….day of ……/…20……

FOR OFFICIAL USE ONLY Lodged with the Secretary Public Procurement Administrative Review Board on……day of ……...20…..……

SIGNED

Board Secretary

3. Letter of Award

_____)_____

To: _____

This is to notify you that your Tender dated_____for execution of the_____ for the Contract Price in the aggregate of_____, as corrected and modified in accordance with the Instructions to Tenderers is here by accepted by our Agency.

You are requested to furnish the Performance Security within 28 days in accordance with the Conditions of Contract, using for that purpose one of the Performance Security Form*s* included in Section X, - Contract Forms, of the Tendering Document.

Authorized Signature:_____

Name and Title of Signatory:_____

Name of Agency:_____

Attachment: Contract Agreement

4. Contract Agreement

THIS CONTRACT AGREEMENT is made on the ***.....[insert: ordinal]*** day of ..... ***[insert: month], [insert: year].*** BETWEEN (1) ***..... [insert: Name of Procuring Entity],*** a ***[insert: description of type of legal entity, for example, an agency of the Department of……..]*** of the Government of Kenya**,** or corporation incorporated under the laws of Kenya and having its principal place of business at ***[insert: address of Procuring Entity]*** (here in after called "the Procuring Entity"), and (2).....***[insert: name of Supplier],*** a corporation incorporated under the laws of ***[insert: country of Supplier]*** and having its principal place of business at ***[insert: address of Supplier]*** (here in after called "the Supplier").

WHEREAS the Procuring Entity desires to engage the Supplier to supply, install, achieve Operational Acceptance of, and support the following Information System ***[insert: brief description of the Information System]*** ("the System"), and the Supplier has agreed to such engagement upon and subject to the terms and conditions appearing below in this Contract Agreement.

NOW IT IS HERE BY AGREED as follows:

Article 1. Contract Documents

1. Contract Documents (Reference GCC Clause1.1(a) (ii))

The following documents shall constitute the Contract between the Procuring Entity and the Supplier, and each shall be read and construed as an integral part of the Contract:

a) This Contract Agreement and the Appendices attached to the Contract Agreement
b) Special Conditions of Contract
c) General Conditions of Contract
d) Technical Requirements (including Implementation Schedule)
e) The Supplier's tender and original Price Schedules
f) [Add here: any other documents]

1.2 Order of Precedence (Reference GCC Clause 2)

In the event of any ambiguity or conflict between the Contract Documents listed above, the order of precedence shall be the order in which the Contract Documents are listed in Article 1.1 (Contract Documents) above, provided that Appendix 7 shall prevail over all provisions of the Contract Agreement and the other Appendices attached to the Contract Agreement and all the other Contract Documents listed in Article 1.1above.

1.3 Definitions (Reference GCC Clause1)

Capitalized words and phrases used in this Contract Agreement shall have the same meanings as prescribed to them in the General Conditions of Contract.

Article 2.

Contract Price and Terms of Payment

2.1 Contract Price (Reference GCC Clause 1.1(a)(viii) and GCC Clause 11) The Procuring Entity here by agrees to pay to the Supplier the Contract Price in consideration of the performance by the Supplier of its obligations under the Contract. The Contract Price shall be the aggregate of: [***insert: amount of foreign currency A in words], [insert: amount in figures],*** plus ***[insert: amount of foreign currency B in words], [insert: amount in figures],*** plus ***[insert: amount of foreign currency C in words], [insert: amount in figures], [insert: amount of local currency in words], [insert: amount in figures],*** as specified in the Grand Summary Price Schedule.

The Contract Price shall be understood to reflect the terms and conditions used in the specification of prices in the detailed price schedules, including the terms and conditions of the associated incoterms, and the taxes, duties and related levies if and as identified.

Article 3.

Effective Date for Determining Time for Operational Acceptance

3.1 Effective Date (Reference GCC Clause 1.1(e) (ix))

The time allowed for supply, installation, and achieving Operational Acceptance of the System shall be determined from the date when all of the following conditions have been fulfilled:

a) This Contract Agreement has been duly executed for and on behalf of the Procuring Entity and the Supplier;
b) The Supplier has submitted to the Procuring Entity the performance security and the advance payment security, in accordance with GCC Clause 13.2 and GCC Clause13.3;

c) The Procuring Entity has paid the Supplier the advance payment, in accordance with GCC Clause 12;
Each party shall use its best efforts to fulfill the above conditions for which it is responsible as soon as practicable.

3.2 If the conditions listed under 3.1 are not fulfilled within two (2) months from the date of this Contract Agreement because of reasons not attributable to the Supplier, the parties shall discuss and agree on an equitable adjustment to the Contract Price and the Time for Achieving Operational Acceptance and/or other relevant conditions of the Contract.

Article 4.
Appendixes

4.1 The Appendixes listed below shall be deemed to form an integral part of this Contract Agreement.

4.2 Reference in the Contract to any Appendix shall mean the Appendixes listed below and attached to this Contract Agreement, and the Contract shall be read and construed accordingly.

APPENDIXES
Appendix 1. Supplier's Representative
Appendix 2. Adjudicator *[If there is no Adjudicator, state **"not applicable"**]*
Appendix 3. List of Approved Subcontractors
Appendix 4. Categories of Software
Appendix 5. Custom Materials
Appendix 6. Revised Price Schedules (if any)
Appendix 7. Minutes of Contract Finalization Discussions and Agreed-to Contract Amendments

IN WITNESS WHEREOF the Procuring Entity and the Supplier have caused this Agreement to be duly executed by their duly authorized representatives the day and year first above written.

i) For and on behalf of the Procuring Entity
Signed:

in the capacity of ***[insert: title or other appropriate designation]***
in the presence of_____

ii) For and on behalf of the Supplier
Signed:

in the capacity of ***[insert: title or other appropriate designation]***
in the presence of_____

5. Appendices

a) Appendix 1. Supplier's Representative

In accordance with GCC Clause 1.1 (b) (iv), the Supplier's Representative is:

Name: .....*[insert: name and provide title and address further below, or state "to be nominated within fourteen (14) days of the Effective Date"]*

Title: .....*[if appropriate, insert: title]*

In accordance with GCC Clause 4.3, the Supplier's addresses for notices under the Contract are:

Address of the Supplier's Representative: .....[***as appropriate, insert: personal delivery, postal, cable, facsimile, electronic mail, and/or EDI addresses.]***

Fallback address of the Supplier: .....[***as appropriate, insert: personal delivery, postal, cable, facsimile, electronic mail, and/or EDI addresses.]***

b) **Appendix**

2. Adjudicator in accordance with GCC Clause1.1 (b) (vi), the agreed-upon Adjudicator is:

Name: ..... ***[insert: name]***

Title: ..... ***[insert: title]***

Address: .....***[insert: postal address]***

Telephone: ..... ***[insert: telephone]*** in accordance with GCC Clause

43.1.3, the agreed-upon fees and reimbursable expenses are: Hourly

Fees: ..... ***[insert: hourly fees]*** Reimbursable

Expenses: .....***[list: reimbursables]***

Pursuant to GCC Clause 43.1.4, if at the time of Contract signing, agreement has not been reached between the Procuring Entity and the Supplier, an Adjudicator will be appointed by the Appointing Authority named in the SCC.

c) Appendix 3. List of Approved Subcontractors

The Procuring Entity has approved use of the following Subcontractors nominated by the Supplier for carrying out the item or component of the System indicated. Where more than one Subcontractor is listed, the Supplier is free to choose between them, but it must notify the Procuring Entity of its choice sufficiently in advance of the time when the subcontracted work needs to commence to give the Procuring Entity reasonable time for review. In accordance with GCC Clause 20.1, the Supplier is free to submit proposals for Subcontractors for additional items from time to time. No subcontracts shall be placed with any such Subcontractors for additional items until the Subcontractors have been approved in writing by the Procuring Entity and their names have been added to this list of Approved Subcontractors, subject to GCC Clause20.3.

[specify: item, approved Subcontractors, and their place of registration that the Supplier proposed in the corresponding attachment to its tender and that the Procuring Entity approves that the Supplier engage during the performance of the Contract. Add additional pages as necessary.]

Item	Approved Subcontractors	Place of Registration

d) Appendix 4. Categories of Software

The following table assigns each item of Software supplied and installed under the Contract to one of the three categories: (i) System Software, (ii) General-Purpose Software, or (iii) Application Software; and to one of the two categories: (i) Standard Software or (ii) Custom Software.

	(select one per item)			(select one per item)	
Software Item	System Software	General-Purpose Software	Application Software	Standard Software	Custom Software

e) Appendix 5. Custom Materials

The follow table specifies the Custom Materials the Supplier will provide under the Contract.

Custom Materials

f) Appendix 6. Revised Price Schedules

The attached Revised Price Schedules (if any) shall form part of this Contract Agreement and, where differences exist, shall supersede the Price Schedules contained in the Supplier's Tender. These Revised Price Schedules reflect any corrections or adjustments to the Supplier's tender price, pursuant to the ITT Clauses 30.3 and 38.2.

g) Appendix 7. Minutes of Contract Finalization Discussions and Agreed-to Contract Amendments

The attached Contract amendments (if any) shall form part of this Contract Agreement and, where differences exist, shall supersede the relevant clauses in the GCC, SCC, Technical Requirements, or other parts of this Contract as defined in GCC Clause 1.1 (a) (ii).

6. Performance and Advance Payment Security Forms

5.1 Performance Security Form (Demand Bank Guarantee)

[The bank, as requested by the successful Tenderer, shall fill in this form in accordance with the instructions indicated]

[Guarantor Form head or SWIFT identifier code] .....
*[insert: **Bank's Name, and Address of Issuing Branch or Office**]*
Beneficiary: ..... *[insert: **Name and Address of Procuring Entity**]*
Date: ..... *[insert: **date**]*
PERFORMANCE GUARANTEE No.: ..... *[insert: **Performance Guarantee Number**]*
Guarantor: ..... *[Insert name and address of place of issue, unless indicated in the Form head.]*

We have been informed that on *[insert: **date of award**]* you awarded Contract No. *[insert: **Contract number**]* for *[insert: **title and/or brief description of the Contract**]* (hereinafter called "the Contract") to *[insert: **complete name of Supplier which in the case of a joint venture shall be in the name of the joint venture**]* (hereinafter called "the Applicant"). Furthermore, we understand that, according to the conditions of the Contract, a performance guarantee is required.

At the request of the Applicant, we as Guarantor here by irrevocably undertake to pay you any sum(s) not exceeding *[insert: **amount(s)[1] in figures and words**]* such sum being payable in the types and proportions of currencies which the Contract Price is payable upon receipt by us of the Beneficiary's statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating that the Applicant is in breach of its obligation(s) under the contract without the Beneficiary needing to prove or to showgrounds or reasons for their demand or the sum specified there in.

On the date of your issuing, to the Supplier, the Operational Acceptance Certificate for the System, the value of this guarantee will be reduced to any sum(s) not exceeding..... *[insert: **amount(s) 4 in figures and words**]*. This remaining guarantee shall expire no later than.....*[insert: **number** and select: **of months/of years** (of the Warranty Period that needs to be covered by the remaining guarantee)]* from the date of the Operational Acceptance Certificate for the System[2], and any demand for payment under it must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees, (URDG) 2010 Revision, ICC Publication No. 758, except that the supporting statement under 15 (a) is hereby excluded.

_____

[Signature(s)]

Note: All italicized text (including footnotes) is for use in preparing this form and shall be deleted from the final product.

[1] *The bank shall insert the amount(s) specified and denominated in the SCC for GCC Clauses 13.3.1 and 13.3.4 respectively, either in the currency(ies) of the Contract or a freely convertible currency acceptable to the Procuring Entity.*

[2] *In this sample form, the formulation of this paragraph reflects the usual SCC provisions for GCC Clause 13.3. However, if the SCC for GCC Clauses 13.3.1 and 13.3.4 varies from the usual provisions, the paragraph, and possibly the previous paragraph, need to be adjusted to precisely reflect the provisions specified in the SCC.*

5.2 Advance Payment Security

Demand Bank Guarantee

[Guarantor Form head or SWIFT identifier code]

Beneficiary: ..... *[insert: **Name and Address of Procuring Entity**]*

Date: ..... ***[insert date of issue]***

ADVANCE PAYMENT GUARANTEE No.: ..... [*insert: **Advance Payment Guarantee Number***]

Guarantor: ..... *[Insert name and address of place of issue, unless indicated in the Form head]*

We have been informed that on.....*[insert: **date of award**]* you awarded Contract No. *[insert: **Contract number**]* for .....*[insert: **title and/or brief description of the Contract**]* (here in after called "the Contract") to *[insert: **complete name of Supplier, which in the case of a joint venture shall be the name of the joint venture**]* (here in after called" the Applicant").

Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum of ***[insert: amount in numbers and words, for each currency of the advance payment]*** is to be made to the Supplier against an advance payment guarantee.

At the request of the Applicant, we as Guarantor, here by irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of..... *[Insert amount in figures]* ( ) *[insert amount in words]*[1] upon receipt by us of the Beneficiary's complying demand supported by the Beneficiary's statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating either that the Applicant:

(a) Has used the advance payment for purposes other than toward delivery of Goods; or

(b) has failed to repay the advance payment in accordance with the Contract conditions, specifying the amount which the Applicant has failed to repay.

A demand under this guarantee may be presented as from the presentation to the Guarantor of a certificate from the Beneficiary's bank stating that the advance payment referred to above has been credited to the Applicant on its account number.....*[insert number]*at.....*[insert name and address of Applicant's bank]*.

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Applicant as specified in copies of interim statements or payment certificates which shall be presented to us. This guarantee shall expire, at the latest, upon our receipt of a copy of the interim payment certificate indicating that ninety
(90) percent of the Accepted Contract Amount, has been certified for payment, or on the.....*[insert day]* day of.....*[insert month]*, 2 *[insert year]*, whichever is earlier. Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No.758, except that the supporting statement under Article 15(a) is hereby excluded.

[signature(s)]

Note: All italicized text (including footnotes) is for use in preparing this form and shall be deleted from the final product.

7. Installation and Acceptance Certificates *(insert format)*

Installation Certificate

Date: ..... ***[insert: date]***

ITT: ..... ***[insert: title and number of ITT]***

Contract: ..... ***[insert: name and number of Contract]***

To: ..... ***[insert: name and address of Supplier]***

Dear Sir or Madam:

Pursuant to GCC Clause 26 (Installation of the System) of the Contract entered into between yourselves and the..... ***[insert: name of Procuring Entity]*** (hereinafter the "Procuring Entity") dated..... ***[insert: date of Contract],*** relating to the.....***[insert: brief description of the Information System],*** we hereby notify you that the System (or a Subsystem or major component thereof) was deemed to have been correctly installed on the date specified below.

1. Description of the System (or relevant Subsystem or major component: ..... ***[insert: description]***

2. Date of Installation: ..... ***[insert: date]***

Notwithstanding the above, you are required to complete the outstanding items listed in the attachment to this certificate as soon as practicable. This Form shall not relieve you of your obligation to achieve Operational Acceptance of the System in accordance with the Contract nor of your obligations during the Warranty Period.

For and on behalf of the Procuring Entity

Signed: .....

Date: .....

in the capacity of: .....[***state: "Project Manager" or state the title of a higher-level authority in the Procuring Entity's organization]***

1.1 Operational Acceptance Certificate

Date: .....*[insert: date]*

ITT: .....*[insert: title and number of ITT]*

Contract: .....*[insert: name of System or Subsystem and number of Contract]*

To: .....*[insert: name and address of Supplier]*

Dear Sir or Madam:

Pursuant to GCC Clause 27 (Commissioning and Operational Acceptance) of the Contract entered into between yourselves and the.....***[insert: name of Procuring Entity]*** (hereinafter the "Procuring Entity") dated..... ***[insert: date of Contract],*** relating to the.....***[insert: brief description of the Information System],*** we hereby notify you the System (or the Subsystem or major component identified below) successfully completed the Operational Acceptance Tests specified in the Contract. In accordance with the terms of the Contract, the Procuring Entity here by takes over the System (or the Subsystem or major component identified below), together with the responsibility for care and custody and the risk of loss thereof on the date mentioned below.

1. Description of the System (or Subsystem or major component): .....[***insert: description]***
2. Date of Operational Acceptance: .....[***insert: date]***

   This Form shall not relieve you of your remaining performance obligations under the Contract nor of your obligations during the Warranty Period.

For and on behalf of the Procuring Entity

Signed: .....

Date: .....

in the capacity of: .....***[state: "Project Manager" or higher-level authority in the Procuring Entity's organization]***

7. Change Order Procedures and Forms

Date: .....*[insert: date]*

ITT: .....*[insert: title and number of ITT]*

Contract: .....*[insert: name or System or Subsystem and number of Contract]*

General

This section provides samples of procedures and forms for carrying out changes to the System during the performance of the Contract in accordance with GCC Clause 39 (Changes to the System) of the Contract.

Change Order Log

The Supplier shall keep an up-to-date Change Order Log to show the current status of Requests for Change and Change Orders authorized or pending. Changes shall be entered regularly in the Change Order Log to ensure that the log is kept up-to-date. The Supplier shall attach a copy of the current Change Order Log in the monthly progress report to be submitted to the Procuring Entity.

References to Changes

1) Request for Change Proposals (including Application for Change Proposals) shall be serially numbered CR-nnn.
2) Change Estimate Proposals shall be numbered CN-nnn.
3) Estimate Acceptances shall be numbered CA-nnn.
4) Change Proposals shall be numbered CP-nnn.
5) Change Orders shall be numbered CO-nnn. On all forms, the numbering shall be determined by the original CR-nnn.

Annexes

7.1 Request for Change Proposal Form

7.2 Change Estimate Proposal Form

7.3 Estimate Acceptance Form

7.4 Change Proposal Form

7.5 Change Order Form

7.6 Application for Change Proposal Form

7.1 Request for Change Proposal Form

(Procuring Entity's Form head)

Date: .....*[insert: date]*
ITT: .....*[insert: title and number of ITT]*
Contract: .....*[insert: name of System or Subsystem or number of Contract]*
To: .....*[insert: name of Supplier and address]*
Attention: .....*[insert: name and title]*

Dear Sir or Madam:

With reference to the above-referenced Contract, you are requested to prepare and submit a Change Proposal for the Change noted below in accordance with the following instructions within ***[insert: number]*** days of the date of this Form.

1. Title of Change: [***insert: title]***

2. Request for Change No./Rev.: [***insert: number]***

3. Originator of Change: ***[select Procuring Entity / Supplier (by Application for Change Proposal), and add: name of originator]***

4. Brief Description of Change: ***[insert: description]***

5. System (or Subsystem or major component affected by requested Change): [***insert: description]***

6. Technical documents and/ or drawings for the request of

   Change: Document or Drawing No. Description

7. Detailed conditions or special requirements of the requested Change: [***insert: description]***

8. Procedures to be followed:
   a) Your Change Proposal will have to show what effect the requested Change will have on the Contract Price.
   b) Your Change Proposal shall explain the time it will take to complete the requested Change and the impact, if any, it will have on the date when Operational Acceptance of the entire System agreed in the Contract.
   c) If you believe implementation of the requested Change will have a negative impact on the quality, operability, or integrity of the System, please provide a detailed explanation, including other approaches that might achieve the same impact as the requested Change.
   d) You should also indicate what impact the Change will have on the number and mix of staff needed by the Supplier to perform the Contract.
   e) You shall not proceed with the execution of work related to the requested Change until we have accepted and confirmed the impact it will have on the Contract Price and the Implementation Schedule in writing.

9. As next step, please respond using the Change Estimate Proposal form, indicating how much it will cost you to prepare a concrete Change Proposal that will describe the proposed approach for implementing the Change, all it's elements, and will also address the points in paragraph 8 above pursuant to GCC Clause 39.2.1. Your Change Estimate Proposal should contain a first approximation of the proposed approach, and implications for schedule and cost, of the Change.

For and on behalf of the Procuring Entity

Signed: .....

Date: .....

in the capacity of: .....[***state: "Project Manager" or higher-level authority in the Procuring Entity's organization]***

7.2 Change Estimate Proposal Form

(Supplier's Form head)

Date: .....*[insert: date]*

ITT: .....*[insert: title and number of ITT]*

Contract: .....*[insert: name of System or Subsystem and number of Contract]*

To: .....*[insert: name of Procuring Entity and address]*

Attention: ..... *[insert: name and title]*

Dear Sir or Madam:

With reference to your Request for Change Proposal, we are pleased to notify you of the approximate cost of preparing the below-referenced Change in accordance with GCC Clause 39.2.1 of the Contract. We acknowledge that your agreement to the cost of preparing the Change Proposal, in accordance with GCC Clause 39.2.2, is required before we proceed to prepare the actual Change Proposal including a detailed estimate of the cost of implementing the Change itself.

1. Title of Change: .....*[insert: title]*

2. Request for Change No./Rev.: .....*[insert: number]*

3. Brief Description of Change (including proposed implementation approach): .....*[insert: description]*

4. Schedule Impact of Change (initial estimate): .....*[insert: description]*

5. Initial Cost Estimate for Implementing the Change: .....*[insert: initial cost estimate]*

6. Cost for Preparation of Change Proposal*:* .....*[insert: cost in the currencies of the Contract],* as detailed below in the breakdown of prices, rates, and quantities.

For and on behalf of the Supplier

Signed: .....

Date: .....

in the capacity of: .....*[state: "Supplier's Representative" or other higher-level authority in the Supplier's organization]*

7.3 Estimate Acceptance Form

(Procuring Entity's Form head) Date: .....*[insert: date]*

ITT.....*[insert: title and number of ITT]*

Contract: .....*[insert: name of System or Subsystem and number of Contract]*

To: .....*[insert: name of Supplier and address]*

Attention: .....*[insert: name and title]*

Dear Sir or Madam:

We hereby accept your Change Estimate and agree that you should proceed with the preparation of a formal Change Proposal.

1. Title of Change: *[insert: title]*

2. Request for Change No./ Rev.: *[insert: request number /revision]*

3. Change Estimate Proposal No./ Rev.: *[insert: proposal number/ revision]*

4. Estimate Acceptance No./ Rev.: *[insert: estimate number/ revision]*

5. Brief Description of Change: *[insert: description]*

6. Other Terms and Conditions:

In the event that we decide not to order the Change referenced above, you shall be entitled to compensation for the cost of preparing the Change Proposal up to the amount estimated for this purpose in the Change Estimate Proposal, in accordance with GCC Clause 39 of the General Conditions of Contract.

For and on behalf of the Procuring Entity

Signed: .....

Date: .....

in the capacity of: .....*[state: "Project Manager" or higher-level authority in the Procuring Entity's organization]*

7.4 Change Proposal Form

(Supplier's Form head)

Date: .....*[insert: date]*
ITT: .....*[insert: title and number of ITT]*
Contract: .....*[insert: name of System or Subsystem and number of Contract]*

To: .....*[insert: name of Procuring Entity and address]*

Attention: .....***[insert: name and title]***

Dear Sir or Madam:

In response to your Request for Change Proposal No. *[insert: number],* we here by submit our proposal as follows:

1. Title of Change: *[insert: name]*

2. Change Proposal No./ Rev.: *[insert: proposal number /revision]*

3. Origin at or of Change: *[select: Procuring Entity /Supplier; and add: name]*

4. Brief Description of Change: *[insert: description]*

5. Reasons for Change: *[insert: reason]*

6. The System Subsystem, major component, or equipment that will be affected by the requested Change: *[insert: description]*

7. Technical documents and/ or drawings for the requested Change: Document or Drawing No. Description

8. Estimate of the increase/ decrease to the Contract Price resulting from the proposed Change: *[insert: amount in currencies of Contract],* as detailed below in the breakdown of prices, rates, and quantities. Total lump sum cost of the Change:

   Cost to prepare this Change Proposal (i. e., the amount payable if the Change is not accepted, limited as provided by GCC Clause 39.2.6):

9. Additional Time for Achieving Operational Acceptance required due to the Change: *[insert: amount in days/ weeks]*

10. Effect on the Functional Guarantees: *[insert: description]*

11. Effect on the other terms and conditions of the Contract: ***[insert: description]***

12. Validity of this Proposal: for a period of .....*[insert: number]* days after receipt of this Proposal by the Procuring Entity

13. Procedures to be followed:
    a) You are requested to notify us of your acceptance, comments, or rejection of this detailed Change Proposal within.....*[insert: number]* days from your receipt of this Proposal.
    b) The amount of any increase and / or decrease shall be taken into account in the adjustment of the Contract Price.

For and on behalf of the Supplier

Signed: .....

Date: .....

in the capacity of: …… *[state: "Supplier's Representative" or other higher-level authority in the Supplier's organization]*

7.5 Change Order Form

(Procuring Entity's Form head)

Date: .....*[insert: date]*

ITT: .....*[insert: title and number of ITT]*

Contract: .....*[insert: name of System or Subsystem and number of Contract]*

To: .....*[insert: name of Supplier and address]*

Attention: .....*[insert: name and title]*

Dear Sir or Madam:

We hereby approve the Change Order for the work specified in Change Proposal No. ***[insert: number***], and agree to adjust the Contract Price, Time for Completion, and/ or other conditions of the Contract in accordance with GCC Clause 39 of the Contract.

1. Title of Change: [***insert: name]***

2. Request for Change No./ Rev.: [***insert: request number/ revision]***

3. Change Order No./ Rev.: [***insert: order number/ revision]***

4. Origin at or of Change: [***select: Procuring Entity / Supplier; and add: name]***

5. Authorized Price for the Change: Ref. No.: ***[insert: number]*** Date: ***[insert: date]***

[insert: amount in foreign currency A] plus ***[insert: amount in foreign currency B]*** plus ***[insert: amount in foreign currency C]*** plus ***[insert: amount in local currency]***

6. Adjustment of Time for Achieving Operational Acceptance: ***[insert: amount and description of adjustment]***

7. Other effects, if any: ***[state: "none" or insert description]***

For and on behalf of the Procuring Entity

Signed: .....

Date: .....

in the capacity of: .....***[state: "Project Manager" or higher-level authority in the Procuring Entity's organization]***

For and on behalf of the Supplier

Signed: .....

Date: .....

in the capacity of: .....[***state "Supplier's Representative" or higher-level authority in the Supplier's organization]***

7.6 Application for Change Proposal Form

(Supplier's Form head)

Date: .....*[insert: date]*

ITT: .....*[insert: title and number of ITT]*

Contract: .....*[insert: name of System or Subsystem and number of Contract]*

To: .....*[insert: name of Procuring Entity and address]*

Attention: .....*[insert: name and title]*

Dear Sir or Madam:

We hereby propose that the below-mentioned work be treated as a Change to the

System.

1. Title of Change: .....*[insert: name]*

2. Application for Change Proposal No./ Rev.: .....*[insert: number/ revision]* dated: [*insert: date]*

3. Brief Description of Change: .....*[insert: description]*

4. Reasons for Change: .....*[insert: description]*

5. Order of Magnitude Estimation: .....*[insert: amount in currencies of the Contract]*

6. Schedule Impact of Change: .....*[insert: description]*

7. Effect on Functional Guarantees, if any: .....*[insert: description]*

8. Appendix: .....*[insert: titles (if any); otherwise state "none"]*

For and on behalf of the Supplier

Signed: .....

Date: .....

in the capacity of: .....*[state: "Supplier's Representative" or higher-level authority in the Supplier's organization]*

7.7 BENEFICIAL OWNERSHIP DISCLOSURE FORM
(Amended and issued pursuant to PPRA CIRCULAR No. 02/2022)

INSTRUCTIONS TO TENDERERS: DELETE THIS BOX ONCE YOU HAVE COMPLETED THE FORM

This Beneficial Ownership Disclosure Form ("Form") is to be completed by the successful tenderer pursuant to Regulation 13 (2A) and 13 (6) of the Companies (Beneficial Ownership Information) Regulations, 2020. In case of joint venture, the tenderer must submit a separate Form for each member. The beneficial ownership information to be submitted in this Form shall be current as of the date of its submission.

For the purposes of this Form, a Beneficial Owner of a Tenderer is any natural person who ultimately owns or controls the legal person (tenderer) or arrangements or a natural person on whose behalf a transaction is conducted, and includes those persons who exercise ultimate effective control over a legal person (Tenderer) or arrangement.

Tender Reference No.:_____[*insert identification no*]

Name of the Tender Title/Description:_____*[insert name of the assignment]* to:

_____*[insert complete name of Procuring Entity]*

In response to the requirement in your notification of award dated__*[insert date of notification of award]* to furnish additional information on beneficial ownership:_____*[select one option as applicable and delete the options that are not applicable]*

I) We here by provide the following beneficial ownership information.

Details of beneficial ownership

	Details of all Beneficial Owners		**% of shares a person holds in the company Directly or indirectly**	**% of voting rights a person holds in the company**	**Whether a person directly or indirectly holds a right to appoint or remove a member of the board of directors of the company or an equivalent governing body of the Tenderer** (Yes / No)	**Whether a person directly or indirectly exercises significant influence or control over the Company (tenderer) (Yes / No)**
1.	Full Name		Directly---------- % of shares Indirectly---------- % of shares	Directly…… …….% of voting rights Indirectly---------- % of voting rights	1. Having the right to appoint a majority of the board of the directors or an equivalent governing body of the Tenderer: Yes -----No---- 2. Is this right held directly or indirectly?: Direct…… …… Indirect…… ……...	1. Exercises significant influence or control over the Company body of the Company (tenderer) Yes -----No---- 2. Is this influence or control exercised directly or indirectly? Direct……
	National identity card number or Passport number					
	Personal Identification Number (where applicable)					
	Nationality					
	Date of birth *[dd/mm/yyyy]*					
	Postal address					
	Residential address					
	Telephone number					
	Email address					

	Details of all Beneficial Owners		**% of shares a person holds in the company Directly or indirectly**	**% of voting rights a person holds in the company**	**Whether a person directly or indirectly holds a right to appoint or remove a member of the board of directors of the company or an equivalent governing body of the Tenderer** (Yes / No)	**Whether a person directly or indirectly exercises significant influence or control over the Company (tenderer) (Yes / No)**
	Occupation or profession					….. Indirect…… …
2.	Full Name		Directly---------- % of shares Indirectly---------- % of shares	Directly…… …….% of voting rights Indirectly---------- % of voting rights	1. Having the right to appoint a majority of the board of the directors or an equivalent governing body of the Tenderer: Yes -----No---- 2. Is this right held directly or indirectly?: Direct…… …… Indirect…… ……...	1. Exercises significant influence or control over the Company body of the Company (tenderer) Yes -----No---- 2. Is this influence or control exercised directly or indirectly? Direct…… ….. Indirect…… …
	National identity card number or Passport number					
	Personal Identification Number (where applicable)					
	Nationality(ies)					
	Date of birth *[dd/mm/yyyy]*					
	Postal address					
	Residential address					
	Telephone number					
	Email address					
	Occupation or profession					
3.						
e.t .c						

II) Am fully aware that beneficial ownership information above shall be reported to the Public Procurement Regulatory Authority together with other details in relation to contract awards and shall be maintained in the Government Portal, published and made publicly available pursuant to Regulation 13(5) of the Companies (Beneficial Ownership Information) Regulations, 2020.(Notwithstanding this paragraph Personally Identifiable Information in line with the Data Protection Act shall not be published or made public). *Note that Personally Identifiable Information (PII) is defined as any information that can be used to distinguish one person from another and can be used to deanonymize previously anonymous data. This information includes National identity card number or Passport number, Personal Identification Number, Date of birth, Residential address, email address and Telephone number.*

III) In determining who meets the threshold of who a beneficial owner is, the Tenderer must consider a natural person

who in relation to the company:

(a) holds at least ten percent of the issued shares in the company either directly or indirectly;

(b) exercises at least ten percent of the voting rights in the company either directly or indirectly;

(c) holds a right, directly or indirectly, to appoint or remove a director of the company; or

(d) exercises significant influence or control, directly or indirectly, over the company.

IV) What is stated to herein above is true to the best of my knowledge, information and belief.

Name of the Tenderer: .....[insert complete name of the Tenderer]_____*

*Name of the person duly authorized to sign the Tender on behalf of the Tenderer: ** [insert complete name of person duly authorized to sign the Tender]*

Designation of the person signing the Tender: ..... [insert complete title of the person signing the Tender]

Signature of the person named above: ..... [insert signature of person whose name and capacity are shown above]

Date this ..... [insert date of signing] day of..... [Insert month], [insert year]

Email: info@ppra.go.ke

REPUBLIC OF KENYA

COUNTY GOVERNMENT OF KISUMU

OFFICE OF THE COUNTY EXECUTIVE FINANCE, ECONOMIC PLANNING AND ICT SERVICES

BUDGET IMPLEMENTATION REPORT FOR THE

FY 2024/2025 (QUARTER 4)

FOREWORD

I am pleased to present theCounty Budget Implementation Report for FY 2024/2025. This report serves to disseminate information regarding budget execution to the public and government entities, showcasing the performance of revenue received from both the National and County Governments. Additionally, it offers an analysis of recurrent and development expenditures at the county level, along with monitoring the implementation of projects and programs during the review period.

The production of this report heavily relies on financial data provided by the County Treasury and information extracted from the Integrated Financial Management Information System (IFMIS). It encompasses an analysis of revenues received from the Exchequer as well as the Own Source Revenue (OSR) collected within Kisumu County's boundaries. Recurrent and development expenditures have been meticulously calculated, and the overall burn rate for the financial Year has been determined.

This report plays a vital role in upholding the principles of transparency and accountability mandated by law, ensuring the responsible management of government resources is communicated effectively to the public.

GEORGE O. OKONG'O

COUNTY EXECUTIVE COMMITTEE MEMBER – FINANCE AND ECONOMIC PLANNING AND ICT SERVICE

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CHAPTER 1: BUDGET OVERVIEW

INTRODUCTION

The budget for the Financial Year 2024-2025 adheres to the provisions outlined in the Public Finance Management Act, 2012, specifically under Part IV Section 104 (b) and (c). According to these statutory guidelines, the county is obligated to develop an annual budget, coordinate revenue and expenditure estimates, and oversee the implementation of the budgetary allocations.

This comprehensive report offers a detailed analysis of revenue generation and expenditure patterns by the County Government during the specified financial period. Revenue sources are meticulously categorized, while expenditures are systematically evaluated based on economic classifications. Furthermore, the report illuminates the diverse activities undertaken by the County Government throughout the review period.

Its primary objective is to provide an impartial assessment of budget execution, shedding light on revenue performance, transfers received from the National Government, and the actual expenditure incurred by the County. By identifying key challenges that impede budget implementation, the report aims to furnish actionable recommendations aimed at enhancing the efficiency and effectiveness of budget execution processes within the county.

FISCAL PERFORMANCE

The FY 2024/25 County Approved Budget Estimates amounted to Kshs 15,301,595,492, comprising the County Executive allocation of Kshs. 14,292,975,836 (93%) and County Assembly allocation of Kshs. 1,008,619,656 (7%). The budgetary allocation for recurrent amounts to Kshs 10,272,065,659, while for development amounts to Kshs 5,029,529,833, representing ratios of 67 and 37 percent, respectively.

A graphical presentation of the revenue budget is shown below:

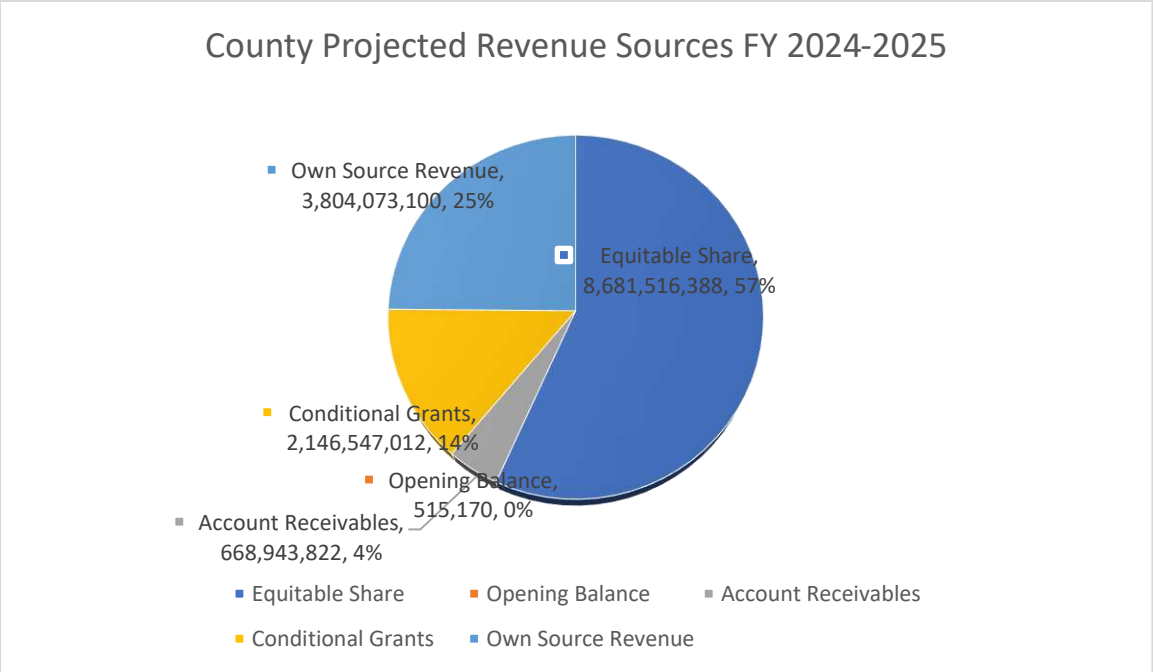


Figure 1:Kisumu County Projected revenue sources in FY 2024/2025

Equitable share from the national government continues to form the largest part of us revenue budget, accounting for 57% of the budget. Our own generated revenues formed 25% of our budget.

Revenue Analysis

The total county revenue target for the year is Kshs 15,301,595,492, which comprises Kshs 8,681,516,388 as the equitable share, Kshs 669,458,992 FY 2023/24 cash balances, Kshs 2,146,547,012 as conditional allocations and grants, and Kshs 3,804,073,100 as the own source revenue target.

The revenue receipts for the Financial Year amounted to Kshs **12,423,511,303** representing 81 percent of the total expected revenue, this figure included Kshs 8,405,327,540 equitable

share, Kshs 2,463,027,946 own source revenue, and Kshs 82,233,079 in conditional allocations and grants.

Table 1:Overall Revenue Performance for the FY 2024-2025

Revenue Source	Annual Revenue Allocation (in Kshs)	Actual Receipts	Overall Performance (%)
Equitable share	8,681,516,388	8,405,327,540	**97%**
Conditional Grants	2,146,547,012	885,696,825	**4%**
Sub total	**10,828,063,400**	**9,291,024,365**	**86%**
Own Source Revenue	3,804,073,100	2,463,027,946	**65%**
Sub Total	**3,804,073,100**	**2,463,027,946**	**65%**
Account Receivables	515,170	515,170	**100%**
Opening Balance	668,943,822	668,943,822	**100%**
Total Revenues	**15,301,595,492**	**12,423,511,303**	**81%**

Source: County Treasury-IFMIS

Own Source Revenue

In the 2024/2025 fiscal year, the county government aimed to collect Kshs 3,804,073,100 in revenue but only managed to bring in 20,463,027,946 which is 65% of its target. This total includes Kshs 1,650,254,178 collected by hospitals as AIA.

Compared to the previous year's collection of Kshs 1,443,607,988, the county saw a significant increase of over Kshs 1,019,419,958 in its own source revenue for 2024/2025.

The comparative analysis for the monthly own source revenue collection for the FY 2024/2025 and FY 2023/2024 are as shown below.

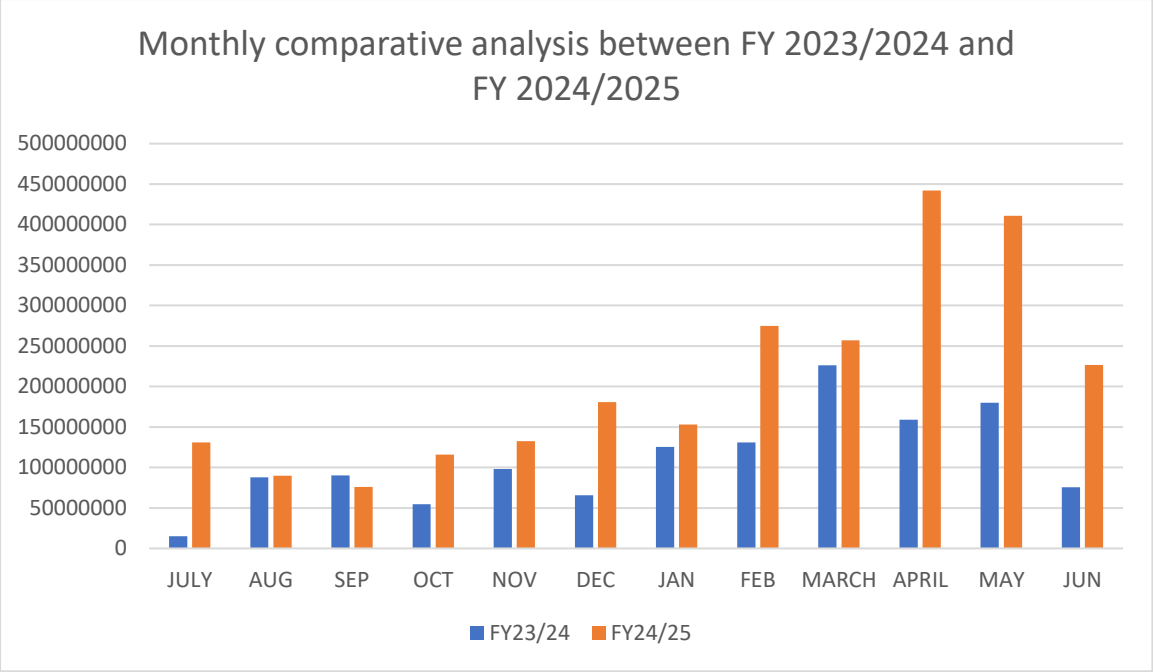


Figure 2:Comparative analysis of OSR in the First Half of FY 2024/2025 and FY 2023/2024

CONSOLIDATED REVENUE COLLECTION REPORT FOR THE FY 2024-2025

The table below shows the Quarterly generated revenue collection per streams per department for the FY 2024/2025

Table 2: Acumulated revenues per stream

KISUMU COUNTY REVENUE BOARD					
OWN SOURCE REVENUE REPORT					
FOR THE PERIOD JULY 2024 TO JUNE 2025					
Revenue Streams	**Quarter 1**	**Quarter 2**	**Quarter 3**	**Quarter 4**	**TOTAL**
Locally collected Revenue					
LANDS, PHYSICAL PLANNING, HOUSING AND URBAN DEVELOPMENT					
Plan Approvals	5,578,265	7,347,550	10,498,824	8,421,510	**31,846,149.45**
Billboards	13,674,396	18,310,628	76,340,321	37,099,419	**145,424,763.12**

	Rent - House	829,050	1,001,760	1,839,005	1,260,023	**4,929,838.00**
	-Ground	0	0	14,100	0	**14,100.00**
	-Plot	478,209	348,556	163,408	249,771	**1,239,944.00**
	Rates	4,401,677	33,151,566	61,794,038	28,893,782	**128,241,063.20**
	Survey	196,220	111,190	208,700	277,740	**793,850.00**
TRADE, TOURISM, INDUSTRY AND MARKETING						
	Trade Licence	12,438,875	4,243,152	162,989,544	58,869,101	**238,540,672.26**
	Markets	14,915,205	14,902,610	12,173,163	11,232,918	**53,223,896.00**
	Stock Rings	780,210	1,064,720	789,160	515,521	**3,149,611.00**
	Cess	10,683,263	7,089,497	7,394,155	2,194,300	**27,361,214.97**
	Weights and Measures	584,400	409,580	276,970	274,600	**1,545,550.00**
	Liquor Licence	7,575,441	4,299,003	10,473,522	3,965,085	**26,313,051.00**
	SACCO Charges	26,250	0	0	0	**26,250.00**
	Park Fees	532,550	802,800	1,093,850	1,622,150	**4,051,350.00**
INFRASTRUCTURE, ENERGY AND PUBLIC WORKS						
	Bus Park	11,977,740	15,050,860	13,582,400	11,581,730	**52,192,730.00**
	Town Parking	12,383,667	13,376,303	15,507,080	12,916,871	**54,183,921.00**
	Reserved Slots	200,000	0	5,600,000	400,000	**6,200,000.00**
	Monthly Stickers	45,000	637,000	140,500	100,000	**922,500.00**
	Clamping Fees	1,500	7,500	4,500	35,900	**49,400.00**
WATER, ENVIROMENT, NATURAL RESOURCES AND CLIMATE CHANGE						
	Conservancy fees	3,000,000	3,000,000	2,000,000	3,600,000	**11,600,000.00**
	Noise	59,400	0	0	11000	**70,400.00**
	Fire	27,215	57,900	2,799,460	2,127,165	**5,011,740.00**
	Tree Cutting	19,800	0	0	0	**19,800.00**
AGRICULTURE, LIVESTOCK, FOOD AND FISHERIES						
	Hire of Assets Charges	706,052	636,638	796,388	969,017	**3,108,095.00**

Livestock Movement Permit	8,650	9,831	10,300	9,700	**38,481.00**
TRADE, TOURISM, INDUSTRY AND MARKETING					
Hire of Stadium	739,600	0	320,000	1,058,000	**2,117,600.00**
Betting	271,000	253,750	74,250	10,500	**609,500.00**
EDUCATION, TECHNICAL, TRAINING INOVATION AND SOCIAL SERVICES					
Library Charges	56,125	32,866	26,120	33,730	**148,841.00**
Hire of Halls	12,000	6,000	0	6000	**24,000.00**
PUBLIC SERVICE, COUNTY ADMINISTRATION& PARTICIPATORY DEVELOPMENT					
Payroll Charges	9,000	12000	89,350	22,000	**132,350.00**
Other Fines Penalties and Impounding's	28,000	72,602	83,570	41,550	**225,722.00**
MEDICAL SERVICES, PUBLIC HEALTH AND SANITATION					
Public Health	1,950,859	1,766,276	3,185,351	2,514,899	**9,417,385.00**
Medical Service	165,654,574	300,687,007	294,604,591	889,308,006	**1,650,254,177.75**
	-	-			-
GRAND TOTAL	**269,844,193**	**428,689,145**	**684,872,620**	**1,079,621,989**	**2,463,027,946**

Source: County Treasury-Revenue Directorate

Table 3:The County Resource envelope the budgeted vs the Actual receipts for FY 2024-2025 are as tabulated below

ITEM	Budgeted	Actual Receipts	Performance (%)
Account Receivables	668,943,822	668,943,822.00	**100%**
Opening Balance	515,170	515,170.00	**100%**
Equitable share	8,681,516,388	8,405,327,540.00	**97%**
DANIDA Grant	23,123,790	10,530,000.00	**46%**
Finance Locally -Led Climate Action Plan (FLLOCA)	490,984,978	22,658,933.00	**5%**

KISIP	840,000,000	655,000,000.00	**78%**
IDA (World Bank Credit to Finance Agricultural Value Chain Development Project (NAVCDP)	151,515,152	68,473,623.00	**45%**
Aquaculture Business Development Project (ABDP)	15,407,244	-	**0%**
PRACTICE	37,227,907	2,931,502.00	**8%**
Conditional Grant for Aggregated Industrial Parks Programme	150,000,000	-	**0%**
Allocation for Court Fines	66,912	-	**0%**
KDSP	38,156,709	-	**0%**
Community Health Promoters	70,459,609	-	**0%**
Transfer of Museum Function	6,350,388	-	**0%**
RMFLF	196,615,319	68,301,577.00	**35%**
Change Maker	30,000,000	-	**0%**
KABDP	21,918,919	-	**0%**
KUSP	36,634,916	32,309,300.00	**88%**
Youth Politechnics	7,516,000	-	**0%**
Kenya Dairy Entreprise Development	400,391	-	**0%**
NAVCDP	6,020,200	-	**0%**
Transforming health centre	544,976	-	**0%**
Equalization Fund	23,603,602	25,491,890.00	**108%**

Total Share of National Revenue	**11,497,522,392**	**9,960,483,357.00**	**87%**
LOCAL REVENUE SOURCE			
Main Revenue Streams			
Land Rates	581,000,000	128,241,063.00	22%
Rents	63,844,894	6,183,882.00	10%
Trade license fees	564,951,097	238,540,672.00	42%
Bus Park Fees	307,000,000	52,192,730.00	17%
Parking Fees/Monthly Stickers	296,251,150	55,106,421.00	19%
Reserved slot	9,000,000	6,200,000.00	69%
Clamping Fees	500,000	49,400.00	10%
Market Fees	350,000,000	53,223,896.00	15%
Stock Ring	5,000,000	3,149,611.00	63%
CESS	27,139,013	27,361,214.00	101%
Building Plans	4,000,000	31,846,149.00	796%
Sign Board promotion	400,000,000	145,424,763.00	36%
Sundry revenue	20,000,000	21,600,000.00	108%
Public Health and Others	6,000,000	9,147,385.00	152%
Sub-Total	**2,634,686,154**	**778,267,186.00**	**30%**
Revenue from Departments			
Health Medical Services	926,122,000	1,650,254,178.00	178%
Agriculture, Livestock and Fisheries	8,220,606	3,108,095.00	38%

Commerce, Tourism, Trade and Heritage	2,000,000	6,206,400.00	310%
Lands, Housing and Physical Planning	159,944,340	793,850.00	0%
Education, Youth, Culture and Sports	500,000	172,841.00	35%
Liquor Licence	40,000,000	26,313,051.00	66%
Environment	2,500,000	16,701,940.00	668%
Governance and Administration	100,000	172,841.00	173%
Revenue from Payroll	30,000,000	158,600.00	1%
Sub-Total	**1,169,386,946**	**1,703,881,796.00**	**146%**
Total Local Revenue	**3,804,073,100**	**2,482,148,982.00**	**65%**
TOTAL COUNTY REVENUE	**15,301,595,492**	**12,442,632,339.00**	**81%**

Source: County Treasury-IFMIS

Recommendations on Improving Our Revenues

The County always continue to explore new and innovative ways of increasing its local revenue collections. Some of the steps that the County has taken towards improving its revenue collections include:

1. Capacity building of staff- Continuous Capacity building equips the staffs with the necessary skills and knowledge to perform their jobs more effectively. This can lead to a significant increase in productivity and a reduction in errors.
2. Ensuring a well-coordinated approach in terms of monitoring and supervision in all departments including strengthening the inspectorate unit.
3. Revenue collection targets to be set for each Sub County, departments and revenue streams down to individual collector to enhance performance and award the best performing collector and Sub County. The targets also need to be realistic and this can be achieved by use of OSR data of previous financial years, which informs on the trends of the revenue streams.

4. Conduct Regular Audits: Implement an effective audit system and strong internal checks to prevent fraud and ensure that all revenue is properly accounted for.
5. Key performance contracts to be set on the revenue collectors, revenue leads/supervisors and the director to measure performance and productivity of staff directly involved in revenue collection.
6. Budget allocation- The county needs to provide adequate budget allocation to departments which bring in own source revenue to improve its service delivery such as the Revenue, Trade, Lands and Environment directorates. This will improve the staff-working environment, mobility and facilitate them with enough accountable documents for Revenue collection and reporting.
7. The County through the economic planning unit is undertaking statistical abstract on Own Source Revenue in all the revenue streams to keep track of all the revenue payers, which will boost Own Source Revenue maximization and reduce leakages.
8. Enhance Transparency: Be transparent about how collected revenues are being used. When Kisumu County Citizens and businesses see that their taxes are funding essential public services, it can strengthen public trust and encourage compliance.

EXPENDITURE ANALYSIS

Of the total yearly budget, 60% was spent, amounting to Kshs.**9, 164,653,057**. This spending was divided into two main categories:

Recurrent expenditure: Kshs. Kshs.**7, 641,972,851** was spent on recurring costs, which represents 74% of that budget.

Development expenditure: Kshs **1, 522,680,206** was used for development projects, which is 30% of that particular budget.

The analysis of expenditure by economic classification for FY 2024/2025 is provided in Tables below.

Table 4:Expenditure by Economic Classification in the First Half of FY 2024/2025

Economic Classification	Revised Budget	Actual Expenditure	Performance

Recurrent	10,272,065,659	7,641,972,851	74%
Development	5,029,529,833	1,522,680,206	30%
TOTAL	**15,301,595,492**	**9,164,653,057**	**60%**

Source: County Treasury-IFMIS

Table 5:Expenditure by Economic Classification per Department for the FY 2024/2025

	Department	Recurrent Expenditure			Development Expenditure		
		Budgeted	Actual	Performance	Budgeted	Actual	Performance
5067	Physical Planning, Lands, Housing and Urban Development	151,018,059	58,,535,645	39%	1,000,300,000	12,651,400	1%
5068	Agriculture, Livestock, Food and Fisheries	81,857,527	58,545,672	72%	310,399,910	50,603,120	16%
5072	City of Kisumu	195,100,000	96,753,596	50%	912,594,236	121,702,778	13%
5073	County Assembly of Kisumu	1,008,619,656	679,915,153	67%	100,000,000	26,897,782	27%
5075	County Public Service Board	48,319,347	22,836,292.65	47%	-		
5081	Education, Technical Training, Innovation & Social Service	325,000,000	102,168,546	31%	213,716,000	46,396,954	22%
5082	Infrastructure, Energy and Public Works	112,000,000	33,110,340	30%	989,226,000	254,391,692	26%
5083	Finance, Economic Planning & ICT Services	1,032,552,709	721,317,183	70%	1,023,603,602	726,834,351	71%
5084	Trade, Tourism, Industry and Marketing	53,983,343	8,349,487	15%	174,200,000	6,485,471	4%
5085	Medical Services, Public Health and Sanitation	1,212,713,749	283,372,165	23%	123,650,000	58,168,237	47%
5086	Sports, Culture, Gender and Youth Affairs	93,380,452	42,508,161	46%	43,500,000	6,469,800	15%
5087	Water, Environment, Natural Resources & Climate Change	83,984,139	68,089,473	81%	615,434,321	202,286,102	33%

5088	**Public Service, County Administration& Participatory Development**	5,873,536,678	5,466,471,138	93%	35,000,000	9,792,519	28%
	TOTALS	**10,272,065,659**	**7,641,972,851**	**74%**	**5,029,529,833**	**1,522,680,206**	**30%**

Source: County Treasury-IFMIS

CHAPTER 2 : DEPARTMENTAL PRIORITIES, ACHIEVEMENTS, CHALLENGES AND RECOMMENDATIONS

1. DEPARTMENT OF AGRICULTURE, IRRIGATION, LIVESTOCK AND FISHERIES

The Department of Agriculture, Irrigation, Livestock and Fisheries (DAILF) is a core pillar in the economic and food security architecture of Kisumu County. Mandated to drive sustainable agricultural transformation, the department focuses on enhancing food and nutrition security, improving household incomes, building climate resilience, and creating sustainable rural livelihoods. It plays a critical role in implementing both national and devolved agricultural policies, including the Agricultural Sector Transformation and Growth Strategy (ASTGS), the Kenya Climate Smart Agriculture Strategy, and the County Integrated Development Plan (CIDP III).

Sectoral Priorities

a) **Strengthening Agricultural Extension and Farmer Advisory Services:**

- Enhance field-based training and demo plot establishment across value chains
- Conduct farmer field schools and exchange learning forums

b) **Supporting Climate-Smart Agricultural Productivity**:

- Supply improved seeds, livestock breeds, and fingerlings
- Promote climate-resilient agronomic practices through FLLoCA and KCSAP

c) **Expanding Access to Water for Production:**

- Desilt community water pans and rehabilitate irrigation systems
- Finalize designs and initiate procurement for new smallholder irrigation schemes

d) **Enhancing Food Safety, Value Addition, and Market Linkages:**

- Support post-harvest management and farmer cooperative development
- Build capacity on disease surveillance and food hygiene
- Mainstreaming Data and Evidence-Based Planning:
- Conduct sector-specific surveys and monitoring missions
- Operationalize data management tools for extension officers

Key Achievements

a) **Strengthened Agricultural Extension and Farmer Training**

The department prioritized farmer capacity building as a foundation for improved productivity. 1,840 farmers across all seven sub-counties were trained in various value chains through farmer

field schools, demonstration farms, and exchange forums. The use of 22 demonstration sites to showcase improved agronomic and animal husbandry practices enabled farmers to learn by doing and facilitated adoption of climate-resilient technologies.

b) **Climate-Resilient Inputs and Livelihood Support**

To address climate variability and strengthen resilience, the department delivered inputs to farmers through ward-level micro-projects supported by FLLoCA and other programmes. These included certified seeds, organic fertilizers, animal feed materials, and assorted farm tools. 21 wards received structured support for resilience-building activities, directly benefiting hundreds of smallholder households.

c) **Expanded Livestock Vaccination and Health Services**

In a bid to enhance livestock productivity and reduce losses from preventable diseases, the department vaccinated 38,400 animals against major transboundary diseases such as Foot and Mouth Disease (FMD), Lumpy Skin Disease (LSD), and Contagious Caprine Pleuropneumonia (CCPP). Additionally, over 12,000 dogs were dewormed as part of integrated One Health approaches to zoonotic disease control.

d) **Promotion of Fisheries and Aquaculture**

The fisheries sub-sector was invigorated through distribution of 1.2 million fish fingerlings and training of 360 fish farmers on pond management, water quality, and locally formulated fish feeds. These efforts aimed to improve household nutrition, promote commercial aquaculture, and reduce overreliance on capture fisheries.

e) **Improved Access to Water for Agricultural Production**

The department rehabilitated four community water pans and upgraded two irrigation schemes, increasing access to irrigation water and livestock watering points. Moreover, 8 solar-powered pumps were installed in strategic locations to reduce reliance on fuel and grid electricity, making water access more sustainable and cost-effective.

f) **Agribusiness Development and Market Access**

To address marketing challenges and post-harvest losses, 12 farmer groups were registered into formal cooperatives and four aggregation centres were supported with capacity building and basic equipment. This enabled collective marketing and positioned farmer organizations to attract bulk buyers and financial service providers.

g) **Digital Monitoring and Data Use in Planning**

64 extension officers were trained in digital monitoring tools, including e-extension platforms and survey instruments. This enhanced the department's ability to track input distribution,

monitor farmer outreach, and make evidence-informed decisions at sub-county and county levels.

Challenges Encountered

a) **Limited Mobility for Extension Officers**: Many wards in Nyakach, Seme, and parts of Muhoroni experienced inconsistent field coverage due to a lack of adequate transport for frontline officers. The available vehicles were insufficient to meet growing demands for site visits, supervision of micro-projects under FLLoCA, and direct farmer training.

b) **Delays in Procurement and Input Delivery**: The procurement of critical agricultural inputs (e.g., seeds, fertilizers, veterinary vaccines, and tools) was affected by administrative and logistical delays. In some instances—especially in Nyando and Lower Nyakach, inputs arrived late, missing optimal planting or vaccination windows, reducing their impact.

c) **Infrastructure Vandalism and Weak Community Ownership**: Incidents of vandalism of solar panels and water system components were reported in Riat (Kisumu West), Masogo (Muhoroni), and Ombeyi (Nyando). These cases exposed gaps in community involvement in operations and maintenance (O&M) and the need for stronger structures for public asset protection.

d) **Inadequate Vaccine Cold Chain Infrastructure**: Sub-counties like Seme and West Nyakach lack cold storage equipment necessary to maintain the potency of vaccines. This constrained the scope and effectiveness of livestock disease control efforts, particularly in high-risk migratory zones.

e) **Inadequate Fisheries Extension Support**: While aquaculture demand has grown, the fisheries sub-sector still has limited technical personnel and follow-up systems. In areas like Kibos and Chemelil, fish farmers reported delays in receiving extension support and pond inspections, partly due to understaffing.

f) **Gender and Youth Engagement Gaps**: Despite broad community participation, some training forums experienced limited attendance by young men and youth-led groups, especially in livestock and fisheries segments. Cultural attitudes, scheduling, and inadequate targeting affected full inclusivity

Recommendations

a) **Strengthen Field Logistics and Officer Mobility**: Procure motorcycles and operationalize ward-level motorbike pools to enable timely field visits, especially in remote or flood-prone areas.

b) **Improve Procurement and Input Distribution Timelines**: Digitize input planning and introduce early procurement schedules aligned with agro-ecological calendars to avoid missed planting and treatment seasons.

c) **Institutionalize Community-Led O&M Structures**: Establish and train ward-based O&M committees to monitor and manage irrigation systems, solar pumps, and demo plots, especially in FLLoCA-supported wards.

d) **Invest in Cold Chain Infrastructure**: Allocate resources for acquisition of solar-powered vaccine fridges and cold boxes in sub-counties with high livestock populations and frequent outbreaks.

e) **Expand Fisheries Technical Support and Innovation Grants**: Recruit additional fisheries officers and roll out innovation grants for youth-led aquaculture enterprises in Kisumu East, Nyando, and Seme.

f) **Embed Gender and Youth Inclusion in Programme Design**: Design value chain activities and training schedules that deliberately accommodate the roles, needs, and time constraints of women and youth.

g) **Scale Use of Digital Extension Platforms**: Expand e-extension tools countywide and integrate short codes or WhatsApp platforms for farmers to access timely agronomic tips and advisory services.

2. DEPARTMENT OF WATER, ENVIRONMENT, CLIMATE CHANGE & NATURAL RESOURCES

The Department of Water, Environment, Climate Change and Natural Resources plays a pivotal role in advancing Kisumu County's development aspirations as outlined in the County Integrated Development Plan (CIDP III) and other sectoral strategies. The department is mandated to ensure sustainable access to safe water, improved sanitation, climate resilience, solid waste management, environmental protection, and conservation of natural resources.

Sectoral Priorities

These strategic priorities were designed to deliver maximum community impact, improve water and sanitation coverage, and mainstream climate adaptation and mitigation in county operations. They also laid the groundwork for stronger resilience planning and sector-wide collaboration in the next fiscal year.

a) **Expansion of Safe and Sustainable Water Access in Rural and Urban Areas**

The department prioritized equitable access to safe drinking water through a dual approach targeting underserved rural communities and densely populated urban informal settlements. This involved drilling and equipping new boreholes, rehabilitating dysfunctional water schemes, and promoting solar-powered water supply technologies across sub-counties. Special focus was placed on Nyakach, Nyando, Seme, and Kisumu East, where gaps in coverage persisted.

b) **Strengthening Water, Sanitation, and Hygiene (WASH) Infrastructure and Coordination**

Recognizing the health-environment nexus, the department aimed to expand sanitation infrastructure, promote hygiene awareness, and enhance inter-agency coordination under the WASH framework. Market-based sanitation upgrades and collaborative forums were rolled out in high-risk areas such as Obunga, Manyatta B, and Ombeyi, where urban congestion and poor drainage had previously led to public health challenges.

c) **Accelerating Environmental Protection, Tree Planting, and Landscape Restoration**

To address land degradation and climate-induced ecosystem decline, the department intensified tree planting and afforestation efforts, especially in riparian zones, hillsides, and degraded wetlands. Priority areas included South Nyakach, Seme, and Muhoroni, which were identified as critical ecological hotspots. This work was coordinated with the Kenya Forest Service and community-based organizations.

d) **Operationalizing Climate Change Governance Structures at Ward Level**

Building on earlier frameworks, the department focused on activating Ward Climate Change Planning Committees (WCCPCs) to drive bottom-up resilience planning. These structures were supported to develop and submit micro-resilience plans, aligning community priorities with County Climate Change Fund (CCCF) guidelines and FLLoCA milestones.

e) **Enhancing Monitoring, Evaluation, and Digital Mapping of Water Assets**

To strengthen accountability and planning, the department prioritized the creation of a digital inventory of all water assets, including boreholes, pipelines, and storage systems. This system was designed to improve asset tracking, monitor project completion status, and guide future infrastructure investments across sub-counties.

f) **Promoting Renewable Energy for Water Systems and Institutional Use**

The department adopted a sustainability lens by investing in solar-powered pumping systems for both rural and institutional water schemes. This not only reduced operational costs but also aligned with Kenya's transition to green energy under the Climate Change Act. Installations

were prioritized in Kobura, Kanyawegi, and Chemelil where grid electricity was unreliable or costly.

Key Achievements

a) Urban Water Services and WASH Coordination

Working in partnership with KIWASCO and KISIP II, the department facilitated last-mile water connectivity and sanitation services in Kisumu East and Central, targeting informal settlements like Obunga, Bandani, and Manyatta. These interventions ensured improved hygiene in densely populated areas. Furthermore, Kisumu was selected to pilot a green sanitation initiative funded through a climate resilience grant, enabling the construction of eco-toilets in three markets across Nyando and Kisumu West. Specific accomplishments include:

- 1,700 tonnes of solid waste collected and evacuated from major markets including Muhoroni, Chemelil, Kombewa, and Holo.
- Two successful market clean-up campaigns conducted in collaboration with CSOs and youth groups.
- Stakeholder forums held to develop the road map for the Solid Waste Policy.

b) Environmental Conservation and Climate Resilience

The department planted over 140,000 tree seedlings, surpassing the quarterly target of 100,000. Tree planting was conducted in schools, riparian zones, and degraded landscapes in Nyakach, Muhoroni, and Seme. The Nganyi Climate Resilience Corridor was launched in partnership with the Kenya Meteorological Department and community conservancies.

Out of 49 community climate resilience investment (CCRI) projects initiated in FY 2023/2024, 38 projects were completed, while eight are ongoing. Three (3) were retendered and have been awarded, pending site handover. Of the 40 CRF projects for FY 2024/2025, 25 were completed, nine are ongoing, and six have been earmarked for retendering. Specific accomplishments include:

- Planting of 1,500 seedlings in Menara Forest and two public schools (Oduwa Primary and Secondary).
- Greening of 19 schools in collaboration with local institutions and partners.
- Six community clean-ups conducted in Nyalenda, Kibos, and other locations.
- Five noise pollution stop orders issued; enforcement actions taken against dust pollution offenders (e.g., Golden Bricks Company in Muhoroni).
- Adaptation planning workshops conducted in six wards.

- 35 Ward Climate Change Planning Committees trained, further localizing climate governance.
- Biogas installations completed at Tiengre and Ogada secondary schools (SEACAP).
- Waste sorting bay constructed at Ondiek Estate (SEACAP program).

c) Climate Information and Community Awareness

Through structured dialogues and awareness campaigns, the department convened 15 community climate sessions, enhancing knowledge on early warning systems and resilience planning. These were held in collaboration with ward climate planning committees in Masogo/Nyang'oma, East Seme, and Lower Nyakach.

d) Policy, Legal and Planning Milestones

The county pushed for the enactment of the Kisumu County Water Act 2023, laying the groundwork for water sector governance. Currently, it is spearheading the initial development of Water Regulations and Sector Strategic Plan and the Review of the Kisumu County Water Policy. In addition, the department has initiated drafting for Kisumu Solid Waste Management Bill and Policy, County Environmental Action Plan, and County Climate Finance Policy and update of the Climate Change Act.

e) Enhanced Sector Coordination and Monitoring

The M&E unit conducted joint supervision missions to assess progress on 28 ongoing water projects, enabling timely documentation of bottlenecks and acceleration measures. The department also launched the Kisumu Water Sector Digital Inventory, mapping all active and inactive water points to improve asset management.

- Monitoring and Evaluation (M&E) frameworks enhanced across directorates.
- Regular project supervision visits conducted to assess progress and compliance.
- Environmental and Social Safeguards assessments initiated for new climate and donor-funded projects.
- 26 Water Management Committees trained

f) Institutional Strengthening and Partnerships

- Development of co-created workplans with partners such as Care Kenya, RUWASCO, and Safe Water & Aids Project (SWAP).
- Training conducted for 15 small-scale utilities to promote commercial viability.
- Drafting and submission of three Memoranda of Understanding (MOUs) for partner collaboration.

- Participation in national and regional climate action workshops and planning forums including FLLoCA coordination meetings.

Challenges Encountered

a) Delayed Procurement and Project Implementation

Several water infrastructure projects experienced delays in the procurement of critical components such as solar pumps, piping materials, and borehole equipment. This affected project delivery timelines, especially in rural schemes in Nyakach, Seme, and Kobura (Nyando). The department liaised with the procurement unit and contractors to expedite pending deliveries. Framework contracting mechanisms were proposed for faster equipment acquisition in future phases. A contract performance tracker was also introduced to flag delays early and institute penalties for non-compliance.

b) Vandalism and Theft of Solar Equipment and Water Assets

Cases of vandalism and theft of solar panels and pump controllers were reported in Kanyawegi, Kasagam, and Masogo/Nyang'oma, undermining water service sustainability. The department rolled out community engagement forums to enhance local ownership of water points. Additionally, site-specific security protocols, such as fencing and the establishment of water user committees, were strengthened. The department is now exploring the use of anti-theft technologies such as tamper-proof panels and alarm systems.

c) Inadequate Staffing for Sanitation and Climate Functions

Wards in Lower Seme, West Nyakach, and East Kano lacked sufficient sanitation officers and climate focal persons, leading to gaps in behavior change campaigns, sanitation promotion, and community-level climate action planning. The department restructured staff schedules to prioritize high-risk areas. It also submitted a request to the County Public Service Board for targeted recruitment in sanitation and climate change roles. Meanwhile, partnerships with local CSOs and CHVs were leveraged to extend outreach.

d) Limited Water Quality Monitoring and Testing

The county lacked sufficient portable water testing kits and functional laboratories to monitor microbial and chemical safety of water points, particularly those in flood-prone areas like Nyando and low-lying Seme. Water samples were collected periodically and tested at regional labs through collaboration with KIWASCO and the Public Health Department. Budget provisions for rapid test kits and mobile water quality monitoring units were included in the FY2025/2026 budget.

e) Climate-Induced Disruptions

Prolonged dry spells followed by flash flooding disrupted ongoing construction and affected tree seedling survival rates in Muhoroni, Nyakach, and Obumba. The department incorporated flexible implementation timelines and began sourcing drought-resistant tree varieties. Sites affected by erosion were reinforced with gabions, and additional budget was reallocated to replant affected seedlings.

Recommendations

a) Institutionalize Preventive Maintenance and Community-Led O&M: Formalize community water user associations with clear roles in repairs, security, and tariff management. Introduce routine O&M schedules at sub-county level to reduce asset breakdowns and service interruptions.

b) Strengthen Water Quality Surveillance: Procure mobile testing kits and collaborate with national agencies (KEBS, MoH) for water safety campaigns. Train ward-level officers and CHVs in basic water sampling and reporting protocols.

c) Scale Renewable Water Systems with Theft-Deterrent Designs: Integrate anti-theft features (e.g., underground wiring, motion sensors) into solar installations. Pilot solar boreholes with remote monitoring in vulnerable areas such as Kobura and Seme.

d) Enhance Workforce Capacity: Prioritize the recruitment of ward-level WASH and climate officers in under-served areas. Organize quarterly refresher trainings on climate policy, behavior change communication, and technical supervision for sub-county staff.

e) Mainstream Climate Risk Planning in All Water Projects: Require that all infrastructure proposals include a climate risk-screening tool. Expand the use of early warning systems and climate advisories to guide implementation cycles, especially in flood-prone zones.

f) Expand Digital Tools and Project Dashboard: Roll out the water asset inventory tool countywide and integrate with FLLoCA M&E systems. Develop ward-level dashboards to track progress, functionality, and citizen feedback in real time.

3. DEPARTMENT OF MEDICAL SERVICES, PUBLIC HEALTH AND SANITATION

The Department of Medical Services, operating under the broader County Health and Sanitation portfolio, holds the core mandate of delivering curative and rehabilitative health services across Kisumu County. This mandate aligns with the Kenya Health Policy (2014–2030), Vision 2030, and the County Integrated Development Plan (CIDP III), all of which

prioritize Universal Health Coverage (UHC) and the progressive realization of the right to health. As the backbone of the county's secondary and tertiary healthcare system, the department is responsible for the management of hospitals, diagnostic services, referral systems, pharmaceutical services, emergency medical services (EMS), blood safety, and specialized care. It works in synergy with the Department of Preventive and Promotive Health to ensure continuity of care from community to referral levels.

Sectoral Priorities

a) Health System Strengthening and Digital Transformation

- Accelerate digitization of service delivery through ICT infrastructure (e.g., installation of Starlink internet).
- Improve connectivity in peripheral health facilities to support real-time data reporting and telemedicine.
- Develop the FY 2025/2026 Annual Work Plan and Budget in alignment with KHIS data and community needs.

b) Integrated Support Supervision and Quality Assurance

- Conduct comprehensive and multi-disciplinary facility supervisions across all sub-counties.
- Evaluate facility performance across public, private, and faith-based service providers.
- Provide actionable feedback to improve standards, safety, and patient experience.

c) Expanded Outpatient and Inpatient Service Delivery

- Scale curative services, especially in sub-county hospitals and high-volume referral centres.
- Monitor inpatient flow metrics including bed occupancy, length of stay, and patient throughput.
- Ensure equitable distribution of medical commodities and essential drugs.

d) Improved Preventive and Promotive Health Outcomes

- Sustain high coverage for full immunization and maternal health indicators.
- Operationalize environmental and public health regulations in all sub-counties.
- Strengthen health promotion through ward-level multidisciplinary outreach.

e) Human Resource Development and Policy Implementation

- Conduct a countywide Training Needs Assessment (TNA).
- Facilitate further training and educational support for health workers.

- Finalize, launch, and initiate implementation of the Kisumu County Mental Health Policy.

Key Achievements

a) Strengthening Access to Health Services

The department operationalized two new health facilities in Nyakach (Siany Dispensary) and Kisumu West (Kanyakwar Health Centre), expanding access to outpatient and maternal services in underserved areas. These facilities now serve over 18,000 residents, reducing travel time and decongesting nearby hospitals. Furthermore, service integration efforts were scaled up across Level II and III facilities, with 20 additional facilities offering HIV, TB, Family Planning, and MNCH services under one roof. This integrated approach improved patient convenience and optimized staff utilization.

b) Infrastructure and Equipment Improvements

Through the County Equipment Upgrade Initiative, 15 health facilities received essential equipment including delivery beds, solar lighting systems, diagnostic kits, and autoclaves. Notably, Ahero Sub-County Hospital and Muhoroni Sub-County Hospital underwent critical infrastructure enhancements, such as expansion of maternity wings and installation of water tanks, enhancing service readiness. Biomedical engineering teams conducted 4 maintenance rounds during the quarter four, repairing over 70 pieces of equipment countywide. This minimized downtime of critical devices such as oxygen concentrators, lab centrifuges, and incubators.

c) Referral and Emergency Services

Ambulance response and referral networks were strengthened with the deployment of two additional ambulances to Seme and Nyando. 647 emergency referrals were coordinated. The department also trained 80 healthcare workers on emergency obstetric and neonatal care (EmONC), ensuring prompt interventions for maternal and child health emergencies, especially in remote rural areas.

d) Human Resources for Health (HRH) Deployment

In response to staffing gaps, the department recruited and deployed 34 health workers, including nurses, clinical officers, and lab technologists. Priority was given to Masogo, Chiga, and Kombewa facilities, which previously operated with critical staffing shortages. These deployments ensured 24-hour service coverage in at least 4 more rural dispensaries.

e) Health Systems and Data Management

The department improved routine data reporting through enhanced use of KHIS2 (Kenya Health Information System) and rollout of electronic medical records (EMR) systems in five additional high-volume facilities. Data quality reviews were conducted in Kisumu Central, Nyando, and Muhoroni, leading to improved reporting timeliness and reduced data discrepancies by 17%.

f) Partnerships and Stakeholder Engagement

Strong collaborations with development partners such as CHS, Amref, and KEMSA enabled efficient commodity supply chains and joint outreach campaigns. The department collaborated with CHS to conduct medical outreaches in flood-affected villages of Nyando, where over 3,000 clients received screening, immunization, and treatment services.

Challenges Encountered

Despite commendable progress across service delivery and system strengthening priorities, the department faced several operational and systemic challenges that impeded full realization of targets. The following outlines the key challenges and mitigation strategies applied:

a) Critical Human Resource Shortages at Lower-Level Facilities: Many dispensaries and health centres continued to operate with only one healthcare provider, typically a nurse, who was expected to offer a wide range of services, from outpatient care to health promotion and facility management. This overstretch compromised service quality and limited outreach. The department escalated the issue to the County Public Service Board (CPSB) and prioritized HR gap analysis in the Q1 recruitment plan. In the interim, task-shifting and mentorship support from nearby sub-county hospitals were employed.

b) Delays in Promotions and Career Progression: No promotions were processed, despite a growing number of eligible staff. This led to demotivation and lowered staff morale in some departments. Engagement with the County Public Service Board was initiated, and a proposal was developed to introduce a ring-fenced promotions budget and performance-based advancement framework in FY 2025/2026.

c) Inconsistent Availability of Essential Commodities: Stock-outs of vaccines, medical supplies, and pharmaceuticals were reported in certain PHC facilities, disrupting service continuity and patient confidence. The department revised its forecasting tools, improved linkage with KEMSA and non-state distributors, and encouraged facilities to maintain real-time stock registers. Redistribution from overstocked to understocked units was initiated.

d) Infrastructure and Utility Gaps in Rural Facilities: Several rural facilities lacked reliable electricity, water, and sanitation infrastructure, affecting infection control and cold chain maintenance. The department collaborated with the Department of Infrastructure and Development to prioritize solar installations and WASH upgrades in facility improvement plans.

e) Limited Community Engagement in Some Sub-counties: In some areas, low male involvement in reproductive health and resistance to immunization were reported. Health promotion teams were retooled with context-specific messaging, and community health volunteers (CHVs) were engaged to support door-to-door sensitization.

Recommendations

a) **Accelerate Recruitment and Equitable Deployment of Health Workers**: Fill staffing gaps, especially in rural dispensaries, through a data-informed recruitment plan, with emphasis on gender and professional mix.

b) **Establish a Promotions and Career Progression Fund**: Ring-fence resources within the HR budget for systematic, performance-based staff promotions and skill upgrading.

c) **Scale up Digitization and ICT Tools**: Expand connectivity and EMR rollout to all facilities, and integrate mobile health (m-Health) platforms for real-time decision support.

d) **Improve Forecasting and Supply Chain Resilience**: Automate commodity-forecasting tools at facility level and establish a buffer stock policy for high-risk commodities.

e) **Deepen Community Engagement Strategies**: Partner with CHVs, local leaders, and CBOs to co-design health campaigns that improve male involvement, immunization uptake, and youth health literacy.

f) **Expand Solarization and Facility Infrastructure Support**: Prioritize clean energy and WASH upgrades in health facility improvement plans, particularly in hard-to-reach areas.

4. DEPARTMENT OF ENERGY, TRANSPORT, ROADS & PUBLIC WORKS

The Department of Energy, Transport, Roads, and Public Works (ETR&PW) plays a foundational and transformative role in enabling Kisumu County's economic, social, and environmental development. As a critical infrastructure arm of the County Government, the department ensures the planning, development, and maintenance of essential infrastructure and energy systems that facilitate mobility, productivity, service delivery, and resilience across urban and rural areas. The department is organized into three core directorates, each with a distinct but complementary mandate:

A. Directorate of Roads and Public Works

This directorate is responsible for the design, construction, rehabilitation, and maintenance of the county's road network and public buildings. Its scope includes the development of rural access roads, inter-ward connectivity, and critical economic corridors, as well as technical support in architectural drawings, structural engineering, and Bill of Quantities (BoQs) for all county departments. It oversees the implementation of the County Roads Framework (CRF), a flagship programme that facilitates equitable road investments across wards and sub-counties. By enabling access to markets, health facilities, and schools, this directorate directly contributes to poverty reduction and inclusive growth.

B. Directorate of Transport and Mechanical Services

This directorate oversees the management and maintenance of the County Government's mechanical assets and fleet. It is tasked with providing mechanical engineering support, ensuring operational efficiency of plant and equipment, and coordinating transport logistics for various departments. The directorate also provides advisory services on transport systems planning, vehicle safety standards, and fleet rationalization. Through its emerging focus on e-mobility, retrofitting, and fleet digitization, this directorate is key to transitioning Kisumu's public sector transport systems towards more sustainable, cost-effective, and climate-responsive models.

C. Directorate of Energy

The Energy Directorate is charged with the formulation and execution of county energy policies and projects, including the rollout of street lighting, solar energy systems, and energy efficiency programmes. Its mandate includes expanding access to clean, affordable, and reliable energy in both urban and underserved rural communities. In alignment with national and global goals on sustainable energy access (SDG 7), the directorate engages with

stakeholders such as the Ministry of Energy and Petroleum (MoEP), Rural Electrification and Renewable Energy Corporation (REREC), GIZ, IFC, and development partners to scale clean energy infrastructure, introduce smart meters in public facilities, and promote climate-smart public lighting. It is also the lead agency in mainstreaming the green transition through energy audits, green building standards, and innovation in municipal energy systems.

Together, the three directorates position the department at the core of Kisumu County's development agenda. The department's work directly contributes to the achievement of Universal Health Coverage (through road access to health facilities), agricultural transformation (through rural road networks), urban resilience (through energy and green infrastructure), and devolution delivery (through technical support to other departments on public infrastructure). The department focused on accelerating project delivery, improving inter-departmental collaboration, and strengthening climate-resilient infrastructure systems. Through its integrated approach, the department continued to shape a more connected, energized, and accessible Kisumu County.

Sectoral Priorities

a) Accelerated Delivery of County Roads Framework (CRF) Projects

Through the Directorate of Roads and Public Works, the department prioritized the full execution of 149 road projects across all seven sub-counties under the CRF programme. The objective was to improve rural-urban mobility, reduce travel time to markets, schools, and health centres, and enhance last-mile infrastructure for agriculture and trade. Specific focus was placed on sub-counties with delayed or rolled-over projects from Q2 and Q3, including Nyando, Kisumu West, and Nyakach.

b) **Rollout and Completion of Flagship and Strategic Inter-ward Roads**

The department targeted the completion of selected strategic connector roads and urban mobility corridors, including:

- Lolwe, Bao Beach, Ndere Island Road (Seme Sub-county), to boost eco-tourism access.
- Arina, Brilliant Road (Kisumu Central), to ease congestion within Kaloleni Estate.
- Mama Sarah Access Culvert (Kolwa East, Kisumu East), to facilitate community access and flood mitigation.

c) **Expansion of High-Mast Street Lighting for Safety and Economic Growth**

Under the Directorate of Energy, the department committed to installing 39 high-mast streetlights across urban centres, trading hubs, and emerging market areas to enhance safety, promote the night economy, and deter petty crime. Priority locations included:

- Kibos, Chiga, and Manyatta (Kisumu East)
- Kombewa and Holo (Seme)
- Ahero and Awasi towns (Nyando)

The lighting projects also aimed to stimulate micro-enterprise development by extending business hours and improving public confidence in public spaces after dark.

d) **Deployment of Smart Energy Systems in Public Institutions**

In collaboration with GIZ, CoMSSA, and the Ministry of Energy, the department rolled out a smart metering pilot in 9 selected public health facilities to improve energy monitoring, reduce wastage, and generate cost-saving insights for facility management. This initiative laid the foundation for scaling energy efficiency across all county-run buildings and institutions in the next fiscal year.

e) **Strengthening Design and Technical Supervision for County Infrastructure**

The Directorate of Public Works was tasked with delivering comprehensive design, structural assessment, and documentation for infrastructure projects across sectors such as Health, Education, Agriculture, and Youth Affairs. The department supported over 130 projects with technical drawings and Bills of Quantities (BoQs), ensuring timely approvals and quality assurance for county infrastructure pipelines. Special emphasis was placed on fast-tracking designs for hospital expansion, ECDE classrooms, and agricultural processing sheds in line with sectoral priorities.

f) **Advancing Sustainable Mobility and E-Mobility Transition**

In anticipation of Kenya's broader transition to green transportation, the department participated in regional training and technical collaboration on electric vehicle retrofitting, energy-efficient fleet management, and low-emission transport systems. Kisumu positioned itself as a lead county in the E-mobility Africa Alliance initiative, with planning underway for pilot retrofits within the county government fleet and the development of policy guidelines on EV infrastructure.

g) **Crosscutting Strategic Focus includes:**

Across all directorates, the department emphasized:

- Climate resilience: integrating green standards in design and operations.
- Data-driven planning: improving asset mapping, project tracking, and performance dashboards.
- Public-private partnerships: expanding infrastructure finance and delivery models.

- Equity in service delivery: ensuring all sub-counties received a fair share of road and lighting investments.

These priorities collectively contributed to the county's broader development outcomes, including:

- Improved market access for farmers and traders
- Safer and more functional urban centres
- Lower energy costs and emissions in public facilities
- More professionalized and accountable project delivery

Key Achievements

A. Directorate of Roads & Public Works

The Directorate of Roads & Public Works demonstrated substantial progress in the implementation of road infrastructure projects aligned with the County Roads Framework (CRF) and strategic inter-ward connectivity goals. The department focused on addressing transport bottlenecks in rural and peri-urban areas while ensuring continuity for rolled-over flagship projects. Emphasis was placed on ensuring equitable distribution of road investments across the 35 wards and 7 sub-counties in Kisumu County.

a) County Roads Framework (CRF) Projects

Out of a total of 149 CRF projects planned, the department successfully completed 95 projects by end of June 2025, achieving 82% physical progress and covering approximately 235 kilometres of road works. This included grading, gravelling, drainage installations, and culvert works. Sub-counties such as Nyando (22 roads completed), Seme (14), and Kisumu West (19) recorded the highest levels of project completion.

In Nyando, the department prioritized access roads connecting Ahero market, Kobura rice schemes, and Ogendo Health Centre, improving transport for both farmers and health service users. In Seme, key roads such as Akado–Bar Olengo and Kombewa–Nduru access road were completed, enhancing links to ECDE centers and trading hubs. Kisumu West saw the rehabilitation of the Riat–Korowe feeder road and the upgrading of Otwenya culvert, reducing seasonal flooding and improving travel reliability.

b) Strategic and Flagship Roads

The department also pursued the implementation of 4 strategic inter-ward roads. These included:

- Lolwe-Bao Beach Road in Seme, intended to unlock tourism access to Ndere Island National Park. This 7.2 km road saw preliminary works and contractor mobilization but only achieved 1% progress due to logistical delays.
- Arina-Brilliant Road in Kisumu Central aimed at easing traffic congestion around Kaloleni Estate was delayed but remains prioritized for Q1 FY 2025/26.
- Sunga Box Culvert, a critical drainage intervention in North West Ward (Nyakach), was fully completed and commissioned.
- Mama Sarah Culvert in Kisumu East saw partial progress (30%), addressing flood-induced inaccessibility in the area surrounding Kogelo School.

c) Routine Manual Maintenance

The Directorate also executed manual maintenance works covering 186.4 km of rural access roads, engaging community-based maintenance teams. These activities focused on regravelling, vegetation clearance, and drainage cleaning, with notable activities recorded in Lower Nyakach, North Nyando, and East Kano.

d) Quality Assurance and Supervision

Despite logistical challenges, the directorate ensured that all completed projects underwent joint technical assessments, validating workmanship quality and alignment with BoQs. In partnership with the Public Works team, the roads directorate also supported field supervision for 26 projects that were experiencing slow progress, contributing to their acceleration and closure.

B. Directorate of Transport and Mechanical Services

The Directorate of Transport and Mechanical Services plays a crucial role in managing the county's fleet, mechanical assets, and transport logistics for service delivery across departments. The directorate focused on modernizing its operations, improving service efficiency, and laying the groundwork for the county’s transition to sustainable transport systems.

a) County Fleet Maintenance and Logistical Support

The directorate oversaw routine servicing and minor repairs of over 55 county vehicles and machines, including graders, water bowsers, and service vans. Mechanical support ensured continued project execution in sectors such as agriculture (farm input delivery), health (ambulance logistics), and education (ECDE furniture distribution). Despite limited spares and inadequate tools, field mechanical teams performed on-site repairs in Kisumu East, Muhoroni,

and Nyando sub-counties, reducing equipment downtime and optimizing departmental productivity.

b) Electric Mobility Transition and Fleet Audit

In alignment with Kisumu County's green mobility agenda, the directorate led planning for the e-mobility transition strategy. This included:

- Hosting a regional technical workshop on EV retrofitting attended by officers from Kisumu, Nairobi, and Siaya.
- Launching a county fleet audit to assess vehicle fuel consumption, age, and conversion potential.

c) **Collaborating with the** E-Mobility Africa Alliance **and** IFC **to draft guidelines for** transitioning government fleet to electric vehicles, with pilot retrofitting planned for FY 2025/26.

d) Transport Policy Engagement and Inter-Departmental Support

The directorate provided logistical coordination for 6 major departmental events, including energy audits, roads monitoring tours, and disaster response support in flood-prone areas. It also developed initial proposals for a centralized county transport pooling system, aimed at reducing fuel wastage and overlapping vehicle usage.

C. Directorate of Energy

The Directorate of Energy was at the forefront of expanding clean energy access, public lighting, and promoting energy efficiency in public infrastructure. Its interventions were aligned with the County Energy Plan, SDG 7 goals, and the emerging Kisumu Green Economy Strategy.

a) High Mast Lighting Programme

The directorate targeted the installation of 39 high-mast floodlights to improve security, extend business hours, and support informal market operations. By the end of the financial year:

- 21 mast lights were successfully installed, representing 54.62% completion.
- Seme Sub-county achieved full installation (3/3), followed by Kisumu West (9/10) and Nyando (4/6).
- Installation works in Kisumu East and Muhoroni were slowed due to transformer unavailability and community site disputes.

Strategic sites lit include Chiga Market, Kibos Junction, Kombewa Town, and Holo Trading Centre, which are now experiencing increased economic activity during evening hours.

b) Smart Metering and Energy Efficiency Pilots

In partnership with GIZ and CoMSSA, the directorate deployed smart energy meters in 9 public health facilities including Ahero Sub-County Hospital, Gita Health Centre, and Rabuor Clinic. These installations provided real-time energy consumption dashboards, enabling cost-saving decisions and predictive maintenance for electrical systems. Energy audits were conducted in selected facilities, and the data is now feeding into the county's proposed Energy Efficiency Action Plan, expected to be finalized in FY 2025/26.

c) Technical Capacity Building and Policy Advisory

The directorate engaged in a series of technical learning events with national and international partners, contributing to:

Drafting of County Green Building Guidelines

- Participation in the Lake Region Economic Bloc (LREB) Energy Planners Forum
- Input into Kisumu's Municipal Solar Street Lighting Strategy

These engagements have positioned Kisumu County as a leader in subnational energy planning.

Challenges Encountered

a) The delay in procurement of critical materials, particularly for public lighting infrastructure and culverts, which slowed project execution. In response, the department initiated the development of framework contracts for commonly used infrastructure materials to streamline procurement in the next fiscal cycle.

b) Slow mobilization of contractors, which affected flagship road projects such as the Arina–Brilliant Road in Kisumu Central and the Lolwe-Bao Beach Road in Seme. The department responded by issuing default notices to non-performing contractors and reassigning works where possible to fast-track delivery.

c) The lack of adequate vehicles for project supervision was also a bottleneck, especially in remote areas. As a mitigation, the department adopted cluster-based scheduling and shared transport arrangements, while concurrently submitting a request for dedicated supervision vehicles in the FY 2025/26 budget.

d) Understaffing remained a persistent issue, particularly within the Public Works and Mechanical Services directorates. This limited the pace of BoQ preparation, field inspections, and post-repair certifications. The department prepared a staffing proposal aimed at recruiting additional engineers, architects, and energy officers to meet growing infrastructure demands.

Collaboration with national entities such as REREC experienced delays in the rollout of rural electrification components. To address this, the department convened high-level meetings with

REREC to realign joint implementation schedules and prioritize transformer upgrades for strategic locations

Recommendations

To strengthen the department's performance and impact in the coming financial year, several strategic actions are recommended.

a) Fast-Track Technical Staff Recruitment: The County Public Service Board should prioritize recruitment of technical staff, including engineers, surveyors, fleet managers, and electricians. Addressing these capacity gaps will enhance the department's ability to prepare designs, supervise works, and maintain public assets efficiently.

b) Expand High Mast Lighting and Initiate Repair Program: The department should expand the high-mast lighting programme to cover remaining wards and simultaneously establish a dedicated unit for lighting repair and maintenance. This will ensure sustainability of installed infrastructure and improved public safety.

c) Institutionalize Framework Contracts: The institutionalization of framework procurement contracts for frequently used items such as culverts, lighting poles, and fuel is also recommended. This will shorten lead times and reduce disruptions in project implementation.

d) Scale Up Smart Metering to Schools and Markets: Building on the success of the smart metering initiative, the department should leverage GIZ and CoMSSA learnings to expand energy efficiency solutions to more public institutions, by scaling up the deployment of energy-efficient technologies across public institutions. This includes schools, health centres, and market stalls. In line with the climate adaptation strategy, the County Heat Action Plan should be operationalized by integrating resilience features such as solar shading, passive cooling, and energy-efficient fittings into public infrastructure designs.

e) Adopt a Cluster-Based Project Supervision Model: The department should fast-track the completion of the 54 pending CRF road projects and 18 high-mast lighting installations rolled over into Q1 FY 2025/26. The launch of a digital project monitoring dashboard will enhance transparency, allow real-time tracking of project progress, and improve coordination with implementing partners. The proposed inter-sub-county supervision model, supported by newly procured utility vehicles, should be activated to enhance on-site inspections and quality assurance.

f) Finalize and Operationalize the County EV Mobility Plan: The department should convene an Infrastructure and Energy Sector Forum bringing together government, private sector, and development partners to review progress, align on priorities, and mobilize resources for flagship and strategic interventions. With these steps, the department is well positioned to deliver on its mandate and drive inclusive, sustainable development across Kisumu County.

5. DEPARTMENT OF LANDS, PHYSICAL PLANNING, HOUSING & URBAN DEVELOPMENT

The Department of Lands, Physical Planning, Housing, and Urban Development serves as a central enabler of inclusive and sustainable development in Kisumu County. Its overarching mandate includes the planning, management, and administration of land; promotion of orderly spatial development; provision of affordable and decent housing; and facilitation of well-governed urban areas and market centres. These responsibilities are grounded in the Constitution of Kenya (2010), the Physical and Land Use Planning Act (2019), the Land Act (2012), the Housing Act (Cap 117), and the Urban Areas and Cities Act (2011), as well as in the County Integrated Development Plan (CIDP III) and Kisumu County Spatial Plan.

The department is structured into four core technical directorates:

1. Lands and Land Administration – focusing on land ownership, regularization, titling, and adjudication.
2. Physical and Land Use Planning – promoting orderly development through the preparation and implementation of local physical development plans.
3. Housing and Human Settlements – enhancing access to decent and affordable housing and rehabilitating government housing stock.
4. Urban Development and Municipal Support – strengthening the governance and infrastructure of urban areas including cities, municipalities, and emerging towns.

Sectoral Priorities

a) Finalization and Operationalization of Spatial and Land Use Plans

The department aimed to fast-track the approval and gazettement of key spatial and land use plans. Priority was placed on finalizing the Kisumu City Physical and Land Use Development Plan, while initiating similar planning processes for emerging municipalities including Kombewa, Katito, Ahero, Awasi, and Muhoroni.

b) Informal Settlement Upgrading through KISIP II

A major priority was the accelerated implementation of the Kenya Informal Settlements Improvement Project (KISIP II), targeting infrastructure upgrades (roads, drainage, water, lighting, and sewerage) in settlements such as Bandani, Manyatta A and B, Nyawita, and Migosi, among others.

c) Land Banking and Acquisition for Public Use

The department committed to expanding the County's land bank by securing land for critical public services—health facilities, livestock markets, and disaster evacuation centers. Key sites targeted included Nyahera Ward, Kobura Ward, and GLUK-Kajulu for health, agricultural and industrial expansion.

d) Operationalization of New Municipalities

Establishing five new municipalities, Maseno-Holo, Kombewa-Bodi, Katito-Pap Onditi, Ahero-Awasi, and Muhoroni-Chemelil, by setting up municipal boards and developing frameworks for devolved urban service delivery.

e) Promoting Affordable Housing and Urban Renewal

Negotiations with the National Housing Corporation (NHC) and private sector players were prioritized to unlock housing projects including the proposed 480-unit Lumumba Affordable Housing Estate and the redevelopment of Ondiek Estate through a proposed debt-swap model.

f) Strengthening Urban Infrastructure (Public Lighting and Access Roads)

The department aimed to improve access and safety in peri-urban areas through installation of floodlights and improvements in road reserves in areas such as Maseno, Kombewa, and Katito.

Key Achievements

a) **Directorate of Lands and Land Administration**

The department's progress in land regularization and titling efforts in previously unplanned and tenure-insecure areas. In Obunga (Kisumu Central) and Kanyamedha (Kisumu East), the department, in partnership with the National Land Commission, facilitated boundary demarcation exercises and sensitized over 600 households on land rights, succession, and formal titling processes. Through collaborative mapping and community barazas, the department successfully resolved at least 22 long-standing boundary disputes, unlocking pathways for formal land registration. In Seme and Muhoroni, the department began cadastral updates for public land parcels such as schools and health centres, particularly in areas like Masogo, Akado, and Chemelil, securing land that had been vulnerable to encroachment.

b) Directorate of Physical and Land Use Planning

The department completed and validated five Local Physical Development Plans (LPDPs) for the growing townships of Kombewa, Katito, Sondu, Masogo, and Muhoroni. These plans provide zoning guidance for public utilities, residential expansion, commercial nodes, and green spaces, ensuring future growth occurs in an orderly and sustainable manner. In Katito (Nyakach), the LPDP integrated flood-prone areas using climate vulnerability overlays, guiding the siting of future infrastructure. Similarly, in Kombewa (Kisumu West) and Masogo (Muhoroni), the plans addressed longstanding urban sprawl and land-use conflicts by clearly delineating public land and road corridors. The department also supported site planning for new market centres and public institutions, including the preparation of development layouts for West Koguta (Seme) and Chiga (Kisumu East), ensuring land parcels are allocated legally and in line with spatial plans.

c) Directorate of Housing and Human Settlements

In response to the growing demand for dignified low-cost housing, the department initiated upgrades to 36 government housing units in Kisumu Central and Muhoroni, focusing on sanitation, roofing, and structural rehabilitation. This contributed to improved staff retention, particularly for critical personnel such as health workers and teachers. The department also accelerated informal settlement upgrading interventions through the National Slum Upgrading Programme (NSUP).

In Obunga, Manyatta, and Nyalenda A, the department installed 3 public sanitation blocks, improved drainage channels, and initiated public lighting installations—reaching over 8,500 residents directly and enhancing hygiene and security in densely populated areas. In Maseno, land was surveyed and set aside for the upcoming affordable housing pilot site, with architectural drawings and stakeholder engagement. This housing scheme, when implemented, will be the first county-led affordable housing intervention targeting low-income earners in peri-urban Kisumu.

d) **Directorate of Urban Development and Municipal Support**

Working through the Kenya Urban Support Programme (KUSP) and in partnership with the State Department for Housing and Urban Development, the department delivered significant infrastructure within the municipalities of Kisumu, Ahero, and Maseno. In Maseno Municipality, the department oversaw the construction of 500 metres of cabro-paved access roads, renovation of two market stalls, and the installation of solar street lighting, all of which have enhanced the operating environment for small businesses and public service access. In

Ahero, new storm water drainage lines were completed in two flood-prone estates, complementing broader efforts in Nyando to mitigate seasonal flash floods.

The department also facilitated the development of Urban Institutional Development Strategies (UIDS) and governance training for Municipal Boards, enhancing their ability to manage urban projects and improve citizen engagement in decision-making. In Kisumu City, support was extended to the City Board to review solid waste management zoning and draft an integrated street lighting plan. These efforts, though at early stages, are critical for improving the livability and productivity of the city.

Challenges Encountered

a) The delayed mobilization of contractors under KISIP II Lot 2 affected settlement upgrading works in Migosi, Kibuye, and Nyalenda. These delays not only slowed physical works but also eroded community trust, with some beneficiaries questioning project commitment. The department engaged the contractors for clarification, flagged the issues to the national KISIP team, and facilitated re-mobilization to improve the delivery pace.

b) Land-related disputes also threatened key projects. The planned Koguta survey process stalled due to unresolved cross-boundary disputes between Kisumu and Kericho counties. In Kombewa, a planned municipal headquarters project was halted due to competing private claims over the intended site. The department initiated legal engagement with the National Land Commission and the Ministry of Lands to seek arbitration and unlock affected parcels.

c) A major recurring issue was the limited capacity for field enforcement and spatial development control. The available planning and inspection teams lacked adequate vehicles, and most officers were multitasking across thematic areas. To mitigate this, the department submitted a recruitment request for additional urban planners and enforcement officers under the FY2025/26 staffing plan. It also sought vehicle reallocation from the county transport pool.

d) In titling and land registration, bureaucratic bottlenecks at national level delayed the issuance of title deeds for lands acquired in Kobura, Kajulu, and Nyahera. The department initiated a fast-track desk, working jointly with the Ministry of Lands to accelerate mutation approvals and deed processing.

Recommendations

a) Fast-Track Spatial Planning in Emerging Urban Centers: The department should complete boundary demarcation and plan formulation for Katito, Muhoroni, Kombewa, and Maseno municipalities. Partnerships with the Ministry of Lands and professional associations can speed up technical processes.

b) Scale Up Land Acquisition and Titling Efforts: Establishing a dedicated land acquisition desk, with legal, valuation, and surveying expertise, will reduce delays in securing land for county projects. Early engagement with communities and title processing agencies must be institutionalized.

c) Strengthen KISIP II Delivery through Improved Oversight: A mid-term review should be conducted to assess contractor performance, community satisfaction, and infrastructure impact. Clear guidelines for timely mobilization, grievance redress, and compensation processes must be enforced.

d) Operationalize New Municipalities Beyond Board Induction: Budget lines should be allocated for staff deployment, office setup, and service rollout in the five new municipalities. Where possible, shared infrastructure with sub-county administrations can be utilized as a start-up solution.

e) Advance Affordable Housing Initiatives through PPPs: Finalize negotiations with NHC and private developers to unlock Lumumba and Ondiek estate projects. Legal frameworks for debt swaps and community participation in allocation must be put in place early.

f) Enhance Human and Logistical Capacity: The County Public Service Board should prioritize the recruitment of urban planners, land surveyors, and enforcement officers. At least three additional field vehicles should be provided to boost spatial inspection and compliance operations across sub-counties.

g) Leverage GIS for Monitoring and Citizen Engagement: The GIS lab should be expanded into a full digital land information system (LIS) integrated with land registry and asset management tools. Ward-level dashboards can enhance transparency and citizen trust.

6. DEPARTMENT OF EDUCATION, TECHNICAL TRAINING, INNOVATION & SOCIAL SERVICES

The Department of Education, Technical Training, Innovation, and Social Services plays a critical role in advancing inclusive, equitable, and quality education while nurturing innovation and strengthening the social fabric across Kisumu County. Anchored in the County Integrated Development Plan (CIDP) 2023–2027 and aligned to the national Education Sector Policy and Vision 2030, the department's mandate spans early childhood education, vocational skills development, talent nurturing, social protection, and community empowerment. The department is structured into four main directorates:

1. Early Childhood Development Education (ECDE), responsible for policy implementation, infrastructure development, learning materials provision, and welfare of ECDE learners and instructors across public centers in the county.
2. Vocational and Technical Training (VTT), focused on equipping youth and adults with practical skills through County Vocational Training Centres (VTCs), facilitating industrial linkages, curriculum reforms, and skills upgrading.
3. Education Support Services and Innovation, which coordinates bursary and scholarship programs, promotes STEM education and digital literacy, and integrates innovation and ICT in learning ecosystems.

Social Services and Special Programmes, mandated to strengthen child protection, promote disability inclusion, support vulnerable populations (OVCs, PWDs, elderly), and advance social cohesion through community structures.

Sectoral Priorities

a) **Expansion of Access to Quality ECDE Infrastructure and Services**

- Completion of ECDE classrooms in underserved and remote areas to address overcrowding and improve learning conditions.
- Implementation of the county-wide ECDE feeding programme to boost learner retention and nutrition.
- Digitalization of learning through phased implementation of the EIDU platform targeting interactive content delivery in ECDE classrooms.

b) **Digital Transformation and Modernization of VTCs**

- Upgrading learning infrastructure in key VTCs to align with labor market demands.
- Partnerships with organizations like Stanbic Bank Foundation and Konza Technopolis to equip VTCs with computers and digital literacy kits.

- Commissioning of specialized training centres, including the automotive garage at Rotary VTC, and establishing Centres of Excellence at Akado VTC.

c) **Disability Inclusion and Strengthening of Social Welfare Services**

- Procurement and distribution of assistive devices (wheelchairs, crutches, walkers) to support persons with disabilities (PWDs).
- Infrastructure improvement of social halls and inclusive community spaces like Nyakongo Social Hall.
- Linkages with disability organizations and the National Council for Persons with Disabilities to reach more beneficiaries.

d) **Institutional Strengthening and Capacity Building**

- Training and upskilling of ECDE teachers in curriculum delivery, child-centered pedagogy, and digital literacy.
- Capacity building for VTC Boards of Governors and centre managers to improve governance and operational efficiency.
- Monitoring and documentation of best practices across ECDE and VTC facilities for future scale-up.

Key Achievements

a) Strengthening ECDE Infrastructure, Access, and Digital Learning

The completion of 20 ECDE infrastructure projects targeting schools with critical classroom shortages and inadequate facilities. In Central Nyakach ward, Kochieng' ECDE Centre benefited from a newly constructed classroom, significantly reducing congestion and supporting transition from temporary shelters. Similar infrastructural improvements were realized in Nyadina ECDE Centre (Masogo-Nyang'oma, Muhoroni) and Anyiko ECDE Centre (Kisumu West), which previously operated under deteriorated or incomplete structures.

In Obumba ECDE Centre (North Seme), the construction of a new classroom was completed ahead of schedule, driven by strong community engagement and timely contractor mobilization. Other notable projects included classroom refurbishments at Kit Mikayi ECDE (Kisumu West), roofing works at Kandaria ECDE (West Nyakach), and completion of sanitation facilities at Koguta ECDE (South West Nyakach). However, several centres such as Pundo ECDE (South East Nyakach) experienced delays in supply of roofing materials, which was later addressed through emergency procurement and reallocation of surplus from centrally stored inventory. 20 ECDE projects completed, including classrooms, latrines, and water systems.

b) **Advancement in Technical and Vocational Education and Training (TVET)**

The department achieved significant milestones in expanding access to skills-based education through vocational training centres. The most notable achievement was the commissioning of a state-of-the-art automotive garage at Rotary VTC (Kisumu Central). This facility became operational and is already providing hands-on training to over 120 learners in motor vehicle mechanics, promoting employability in a rapidly evolving sector. In Kisumu West, Akado VTC was approved as a Centre of Excellence for Automotive Engineering and Aquaculture. Designs and financing arrangements were finalized, and the institution is expected to pioneer dual certification in practical and academic TVET programming in FY2025/2026.

Furthermore, the department, through strategic partnerships with the Stanbic Foundation and Konza Technopolis, secured and distributed digital infrastructure to 13 VTCs. Key beneficiaries included Ojolla VTC (Kisumu West), Pap Onditi VTC (Nyakach), and Koru VTC (Muhoroni). Ahero VTC and Rotary VTC received a total of 75 computers, boosting their capacity to deliver ICT courses. However, in some institutions, lack of qualified ICT instructors was reported. To address this, a mentorship programme with volunteer trainers and digital ambassadors was launched in collaboration with the Ajira Digital Programme.

The department also distributed carpentry, welding, and fabrication tools to Chwa VTC (Nyando) and Pap Othany VTC (Nyakach), contributing to improved technical training delivery. Capacity-building forums were held for 72 Board of Governors (BOG) members, focusing on financial governance, legal compliance, and marketing strategies to enhance enrolment.

c) **Disability Inclusion and Social Infrastructure Enhancement**

Within social services, the department deepened its commitment to disability inclusion. 467 assistive devices were distributed across all sub-counties, with large-scale reach recorded in Kobura Ward (Nyando), Manyatta B (Kisumu Central), and Kolwa East (Kisumu East). The devices included 418 wheelchairs, 21 walking frames, and 28 crutches, providing essential mobility and independence to PWDs, particularly children and the elderly.

The process was conducted in partnership with the National Council for Persons with Disabilities (NCPWD) and several local rehabilitation centres. A key gap identified was the absence of long-term follow-up mechanisms for beneficiaries, especially those in remote areas. As a response, the department initiated a pilot tracking system using community health promoters and social workers to monitor usage, comfort, and necessary repairs.

Another notable achievement was the fencing and rehabilitation of Nyakongo Social Hall (Nyakach). The hall, once neglected and vandalized, was transformed into a safe, accessible space for community engagement, youth mentorship, and cultural expression.

d) **Programme Coordination and Institutional Strengthening**

The department made considerable strides in strengthening systems and stakeholder coordination. It finalized two strategic MOUs, one with Stanbic Bank Foundation (for digital upskilling) and another with World Vision Kenya (for inclusive education and infrastructure development). These collaborations bridged resource gaps and promoted innovation. Efforts to resume the county bursary programme were hindered by a court injunction, temporarily halting disbursements to over 29,000 students. The department has since developed a revised bursary framework and is engaging with the County Assembly and Judiciary to resolve pending legal issues.

In conclusion, the Department of Education, Technical Training, Innovation, and Social Services consolidate its role as a catalyst for inclusive development in Kisumu County. From ECDE classrooms in Kochieng' to digital labs in Pap Onditi VTC and assistive devices in Manyatta B, the department's footprint reached thousands of learners, trainees, and families. Gaps in staffing, infrastructure, and legal bottlenecks were met with adaptive strategies, leveraging partnerships, innovations, and targeted resource reallocations. These achievements have laid a strong foundation for transformative outcomes in FY 2025/2026.

Challenges Encountered

a) Suspension of Bursary Disbursement Due to Legal Injunction: One of the most critical challenges faced during the year was the suspension of the bursary programme following a court injunction. This legal impasse affected over 29,000 needy learners across the county, disrupting their access to education, particularly in secondary schools and VTCs. Parents and guardians raised concerns, and institutions reported increased absenteeism. The department worked closely with the Office of the County Attorney and the County Assembly to review the bursary disbursement framework. It initiated amendments to close legal and procedural gaps that had triggered litigation. A compliance roadmap was prepared for the rollout of bursaries in the next fiscal year, and affected households were issued communication through sub-county offices to manage expectations.

b) Inadequate Logistical Support for Monitoring and Supervision: The department lacked sufficient vehicles and motorcycles to support regular field visits to ECDE centres, VTCs, and social institutions. This limited the ability of officers to provide technical

backstopping, follow up on project quality, or collect accurate field data, especially in Seme, Muhoroni, and Nyando sub-counties. To address this, the department integrated digital data collection tools into school-based reporting, relying on teachers, centre managers, and social workers to transmit progress updates. In select areas, coordination with ward administrators and community health promoters helped fill the monitoring gap.

c) Staffing Gaps in Key Technical Areas: Despite recruitment efforts, gaps persisted in specialized teaching areas such as ICT, special needs education, aquaculture, and mechanical engineering, particularly within VTCs in Muhoroni, Seme, and Nyakach. This delayed the rollout of advanced curricula and digital literacy programmes. The department collaborated with TVETA, Stanbic Foundation, and Ajira Digital Programme to mobilize volunteer instructors and arrange short-term mentorships. A workforce plan was also developed to guide future recruitment, focusing on equitable deployment across rural and urban VTCs.

d) Delays in Delivery of Equipment and Learning Materials: Procurement bottlenecks led to delayed delivery of construction materials and digital tools. This affected ECDE infrastructure completion timelines (e.g., in Pundo ECDE, South East Nyakach) and stalled the activation of ICT labs in Koru VTC and Ojolla VTC. The procurement office introduced framework contracting for high-demand supplies and fast-tracked deliveries through emergency procurement procedures, especially for classroom roofing and feeding programme supplies.

e) Lack of Long-Term Support Mechanisms for PWDs: Although 467 assistive devices were distributed, the absence of a structured post-distribution monitoring system limited follow-up on beneficiary satisfaction, fit, and maintenance. Some devices were reportedly unused or in need of repair. A pilot follow-up model was developed using community health volunteers, who will track device utilization during routine home visits. Plans are underway to digitize the registry of PWD beneficiaries for better targeting and support.

Recommendations

a) **Strengthen ECDE Infrastructure and Learning Environment**: Upgrade dilapidated ECDE facilities across underserved wards such as East Kano, South East Nyakach, and Kisumu Central to ensure safe, child-friendly learning environments. Prioritize ECDE classroom construction in high-density sub-counties like Nyando and Nyakach, where enrolment continues to outpace available infrastructure. Invest in accessible sanitation

facilities and play equipment, particularly in public centres lacking child-sensitive amenities.

b) **Rationalize and Improve ECDE Teacher Deployment**: Equitably redistribute ECDE teachers to match pupil populations and reduce workload disparities, especially in areas with understaffing such as Muhoroni and Seme. Introduce a comprehensive needs-based recruitment framework, supported by workforce audits, to guide future hiring and deployment. Provide incentives and continuous professional development to improve retention and morale of ECDE teachers, particularly those in hardship areas.

c) **Enhance Learning Material Supply Chain and Equity**: Scale up the distribution of instructional materials to ensure 100% coverage in all public ECDE centres, prioritizing facilities in Kisumu Central and Seme which reported gaps. Establish a county-level EMIS (Education Management Information System) to track supplies, enrolment, and facility performance in real time.

d) **Institutionalize Monitoring, Supervision, and Quality Assurance**: Strengthen the role of Quality Assurance and Standards Officers (QASOs) at sub-county level to conduct routine assessments and provide pedagogical support. Deploy digital school monitoring tools for real-time tracking of attendance, material usage, and classroom performance. Encourage community-based school management committees (SMCs) to support local oversight and maintenance of ECDE infrastructure.

e) **Mainstream Inclusion and Equity in Early Childhood Development**: Ensure ECDE curriculum and environments are inclusive of children with disabilities, including provision of assistive devices, ramps, and trained special needs educators. Launch county-wide sensitization campaigns to promote enrolment and retention of girls, children from minority communities, and those in informal settlements.

f) **Strengthen Partnerships and Resource Mobilization**: Engage local businesses, civil society, and faith-based organizations in school feeding programs, infrastructural development, and teacher sponsorship. Leverage development partner support to fund innovations in early learning and digital literacy for pre-primary learners.

g) **Promote School Readiness and Transition**: Implement school readiness programs that prepare ECDE graduates for smooth transition to Grade 1, including structured assessments and psychosocial support. Facilitate joint planning between ECDE and primary school heads to align academic calendars, transition needs, and resource sharing.

h) **Invest in Data, Research, and Education Planning**: Conduct periodic Early Learning Status Assessments to guide investment decisions, policy development, and program

targeting. Integrate GIS-based mapping of ECDE centres, workforce, and service gaps to optimize resource allocation and future planning

7. DEPARTMENT OF GENDER, UNDER THE BROADER DEPARTMENT OF SPORTS, CULTURE, GENDER, AND YOUTH AFFAIRS

The Department of Gender, under the wider umbrella of the Department of Sports, Culture, Gender, and Youth Affairs, plays a critical role in advancing gender equality, equity, social inclusion, and the protection and empowerment of vulnerable populations across Kisumu County. Its mandate is anchored in national and county gender policies, the Constitution of Kenya (2010), Vision 2030, and global commitments such as the Sustainable Development Goals (SDGs), particularly SDG 5 on Gender Equality.

The Department is a key enabler of inclusive development, social transformation, and citizen engagement in Kisumu County. Its mandate spans across critical social sectors that touch the lives of the youth, women, men, artists, athletes, and marginalized communities. Through a coordinated framework of cultural preservation, talent development, gender equality promotion, and youth economic empowerment, the department contributes to the creation of cohesive, healthy, and empowered communities. The department's operational structure is anchored on four primary thematic areas:

1. Sports and Talent Development
2. Culture, Heritage, and the Arts
3. Gender Equality and Social Inclusion
4. Youth Empowerment and Civic Engagement

Sectoral Priorities

a) Revitalization of Community Sports and Talent Development

- Support inter-ward and inter-sub-county sports competitions to promote cohesion, talent scouting, and youth engagement.
- Upgrade select community sports infrastructure (fields, courts) to boost access for underserved youth and women.
- Strengthen sports clubs and teams through training of coaches, referees, and administrators.

b) **Promotion and Preservation of Culture and Heritage**

- Organize community cultural festivals and music competitions to showcase Luo heritage, traditional art, and contemporary performance.
- Support cultural troupes, artists, and youth creatives with platforms for economic empowerment and exposure.
- Collaborate with national museums and local elders to document and preserve intangible cultural heritage.

c) **Deepening Gender Mainstreaming and GBV Prevention**

- Conduct sensitization forums on gender equality, reproductive health, and GBV prevention across sub-counties and informal settlements.
- Establish and operationalize community-based GBV response mechanisms, including referrals, psychosocial support, and safe space pilots.
- Promote women's economic empowerment through capacity-building and linkages to revolving funds and procurement opportunities.

d) **Youth Skills Development and Economic Empowerment**

- Facilitate vocational training, digital skills boot camps, and entrepreneurship forums targeting out-of-school youth, especially in rural wards.
- Promote youth participation in governance through civic education, mentorship forums, and formation of youth advisory councils.
- Support the formation and registration of youth groups to access youth enterprise funding and AGPO opportunities.

e) **Institutional Development and Stakeholder Coordination**

- Strengthen departmental capacity through staff training, digitization of service delivery, and establishment of monitoring tools.
- Convene county-level stakeholder forums to harmonize youth, gender, and cultural initiatives with partners and CBOs.
- Advocate for increased budgetary allocation and partner co-financing to sustain and scale programs across the county.

Key Achievements

a) Sports and Talent Development

The department successfully organized a series of **inter-ward and inter-sub-county sports tournaments**, engaging over 4,000 youths in football, netball, and athletics across **Kisumu East (Kajulu), Muhoroni, Nyando, and Nyakach**. These events served not only as talent identification platforms but also as tools for promoting peace, cohesion, and youth dialogue.

In Kisumu Central, technical support was extended to local sports clubs through equipment donations and coaching clinics. Additionally, the rehabilitation of Obunga Youth Grounds and clearing of Kombewa pitch in Seme were completed, expanding access to structured recreational spaces. See below specific breakdown of achievements per sub-county and wards:

- In Obunga Ward (Kisumu Central), the Obunga Youth Grounds were fully rehabilitated, providing a vibrant venue for football and athletics.
- Kajulu Ward (Kisumu East) hosted inter-ward football and volleyball competitions, engaging over 500 young people.
- In Chemelil (Muhoroni) and Kobura (Nyando), village-based football tournaments were held, attracting over 300 participants and boosting social cohesion.
- The Kombewa pitch (Seme) was cleared and prepared for use, enabling year-round sports activity.
- Technical support including coaching and uniforms was extended to grassroots clubs in Maseno (Kisumu West) and Ahero (Nyando).

As indicated above, these interventions benefited more than 4,00 youth countywide. However, the absence of county-level sports academies and limited access to equipment in rural wards remain persistent challenges.

b) Culture and Heritage Promotion

The department hosted the **Kisumu County Cultural Festival** in **Nyakach**, drawing participation from over 30 community troupes representing various wards. Traditional dances, folklore storytelling, and visual arts were exhibited. The department partnered with artists from **Seme and Kisumu West** to produce a youth-led cultural documentary, part of an effort to preserve oral heritage. Grants were also extended to **12 cultural groups** across the sub-counties to support stage productions and costume development. Despite the progress, challenges such as the lack of a county cultural center and limited recording equipment hinder broader cultural documentation.

c) **Gender Equality and Social Inclusion**

The gender directorate prioritized GBV prevention, economic empowerment of women, and mainstreaming gender at the ward level:

- Manyatta (Kisumu Central) and Katito (Nyakach) were among the key locations for 15 GBV forums, attended by CHVs, boda boda operators, and women groups.

- South West Kisumu and Nyando hosted two pilot safe spaces offering survivor counseling and legal referral support.
- Women groups in **Muhoroni and Seme** were trained on business skills and linked to the Uwezo Fund and local SACCOs, resulting in the formation of 19 new women-led enterprise groups.
- Economic empowerment training reached 100+ women in Kobura (Nyando), Ombeyi (Muhoroni), and North Seme, leading to the registration of 19 new women groups.
- SRHR and positive masculinity forums were held in Rabuor, West Nyakach, and Kolwa Central, with over 800 residents engaged.

The directorate recorded growing demand for gender-responsive programs, but field coverage was constrained by limited personnel and resource gaps.

d) **Youth Empowerment and Livelihoods**

This directorate expanded its outreach in digital skilling, vocational training, and civic engagement:

- Through collaborations with NGOs and the private sector, the department facilitated **digital skills boot camps** in **Kisumu Central, Kisumu West, and Nyando**, with over 350 youth trained in digital skills across Kisumu West (Maseno), Kisumu Central (Nyalenda), and Nyando (Ahero)
- Vocational skills programs in tailoring (Nyakach), welding (Muhoroni), and agribusiness (Seme) reached over 130 out-of-school youth in tailoring, welding, and agribusiness.

The department also launched a **Youth in Governance mentorship series**, with townhall forums held in **Ahero, Maseno, and Kombewa**, aimed at fostering political inclusion and civic consciousness. Still, the lack of a county-wide internship framework and startup support package limits long-term impact.

e) Participation in National and Regional Competitions:

The department successfully mobilized and supported Team Kisumu's participation in the Kenya Inter-County Sports and Cultural Association (KICOSCA) Games held in Kakamega County. Over 150 athletes and staff from Kisumu competed in athletics, football, volleyball, darts, and other disciplines, registering commendable performance and promoting inter-county cohesion.

Additionally, Kisumu County cultural ambassadors participated in the FESTAC (Festival of African and Traditional Arts and Culture) hosted in Nairobi, where Kisumu's delegation

performed traditional music and dances that showcased Luo heritage. This raised the county's national cultural profile and created an opportunity for artists to network and gain exposure. These national engagements significantly contributed to:

- Visibility and brand positioning of Kisumu County at the national stage;
- Motivation of grassroots talent through representation at elite events;
- Networking and benchmarking for cultural officers and coaches.

Challenges Encountered

a) Inadequate Sports infrastructure e.g. unlevelled pitches, Lack of sanitation, no lighting
b) Insufficient dedicated cultural facilities and storage of artefacts
c) Staffing gaps, especially in gender and youth directorates.
d) Limited Funding for the GBV safe houses and follow up support
e) Youth training programs not linked to internships or funding for start ups
f) Inconsistent Participation in the Civic engagement forums
g) Weak monitoring systems for field programs

Recommendations

a) Infrastructure Investment: Allocate dedicated budget for upgrading and maintaining youth-friendly sports grounds and cultural centers in all sub-counties. Also, prioritize fencing, water access, sanitation, and lighting in rehabilitated grounds (e.g., Obunga, Kombewa).
b) Human Resource Enhancement: Recruit at least one Gender Officer and one Youth Officer in each sub-county. Strengthen capacity of existing officers through quarterly training, peer exchange, and mentorship.
c) Scale GBV Response Infrastructure: Expand safe space pilots to at least 5 wards with high GBV incidence (e.g., Rabuor, Manyatta, Katito, Kolwa Central, Nyamaroka). Establish mobile GBV support teams in partnership with the Department of Medical Services and Legal Aid Board.
d) Strengthen Youth-to-Work Pipelines: Develop structured internship and apprenticeship frameworks in collaboration with the County Trade Department and local businesses. Formalize linkages between vocational training graduates and public works or agribusiness development programs.
e) Institutionalize Cultural Development: Initiate development of the Kisumu County Cultural Centre and register community-based cultural groups for easier funding access. Digitize cultural content and collaborate with academic institutions for documentation and archiving.

f) Improve Monitoring and Knowledge Management: Fully roll out mobile-based field monitoring for all directorates by Q2 of FY 2025/2026. Establish a centralized digital dashboard to track gender, youth, and cultural program indicators across all sub-counties.

g) Strengthen Partnerships: Continue leveraging relationships with NGOs, CBOs, and faith-based actors for resource mobilization and joint delivery, particularly in youth skilling and GBV prevention. Host quarterly coordination meetings with development partners to align programs and avoid duplication.

8. DEPARTMENT OF TRADE, TOURISM, COOPERATIVES, INDUSTRIALIZATION, AND MARKETING

The Department of Trade, Tourism, Industry, and Marketing plays a central role in driving Kisumu County's economic transformation agenda through the promotion of sustainable enterprise development, value addition, investment promotion, tourism diversification, and market access for small-scale traders. In line with the County Integrated Development Plan (CIDP III), the department is mandated to develop policies and programs that foster a vibrant local economy while integrating informal sector actors into structured and competitive value chains.

During FY 2024/2025, the department focused on consolidating gains from rolling out targeted interventions to accelerate post-COVID recovery among MSMEs, promote structured trade facilitation, enhance the performance of cooperative societies, and reposition Kisumu as a regional tourism and investment destination. These interventions were implemented under the guidance of the County Trade and Markets Act, Cooperative Development Policy, and Tourism Strategy. Structurally, the department comprises the following core directorates and units:

- **Directorate of Trade and Enterprise Development:** Responsible for licensing, trader capacity building, SME support services, and development of market infrastructure.
- **Directorate of Cooperatives:** Oversees registration, capacity development, and supervision of cooperative societies across the county.
- **Directorate of Tourism and Hospitality:** Focuses on destination branding, promotion of cultural heritage, and stakeholder coordination for tourism development.
- **Investment and Marketing Unit:** Supports investor attraction, trade fairs, product promotion, and strengthening linkages between producers and markets.

Strategic Priorities

a) **Strengthening Market Infrastructure and Trader Support Services**

The department prioritized the rehabilitation, construction, and upgrading of market facilities across urban and rural centers to improve the working environment for traders. This included provision of sanitation amenities, lockable stalls, storage units, and roofing works. Key markets targeted included Chiga (Kisumu East), Muhoroni Central, Ahero (Nyando), Katito (Nyakach), and Kombewa (Seme). The department also supported trader organizations with registration, licensing, and capacity-building on compliance with business regulations.

b) **Expanding Financial Inclusion and SME Support**

Recognizing the financial constraints faced by informal businesses, the department focused on enhancing access to enterprise financing. Working closely with national institutions like the Micro and Small Enterprise Authority (MSEA), Kenya Industrial Estates (KIE), and the Hustler Fund, the department facilitated group-based applications for revolving loans and offered financial literacy training across sub-counties. Women-led and youth-led MSEs were given particular attention in Masogo-Nyang'oma, Manyatta, and Awasi.

c) **Cooperative Development and Governance Reforms**

Revitalizing dormant cooperatives and improving governance in active ones was a key priority. The department deployed cooperative officers to support AGMs, statutory audits, registration of new SACCOs, and conflict resolution in societies facing internal disputes. Notable focus was given to cane farming cooperatives in Muhoroni, dairy cooperatives in Nyakach, and fisheries cooperatives in Kisumu West and Central.

d) **Tourism Revitalization and Cultural Promotion**

In a bid to revive the tourism sector, which was heavily affected by the post-pandemic downturn, the department invested in domestic tourism activation. It supported the organization of the Dunga Cultural Festival, undertook branding of the Impala Sanctuary access area, and mapped new cultural tourism circuits in Seme and Nyakach. Partnerships with county-based tour operators, hospitality players, and heritage custodians were strengthened to position Kisumu as a unique lakeside destination.

e) **Investment Promotion and County Marketing**

The department enhanced its investment facilitation work by profiling investment-ready projects, including agro-processing, artisanal mining, and eco-tourism ventures. Participation in the Kenya International Investment Conference and regional trade exhibitions enabled

Kisumu to showcase its comparative advantages. Internally, promotional materials were developed for selected investment clusters in Kisumu East, Nyando, and Muhoroni.

f) **Digitization of Trade Licensing and Market Data Systems**

To promote efficiency and transparency, the department scaled up the use of digital platforms for business licensing and market management. Sub-county trade officers were trained on electronic revenue collection and trader registration systems. In markets such as Otonglo, Daraja Mbili, and Kibuye, pilot testing of digital stall allocation and fee payment systems commenced.

g) **Cross-Sectoral Coordination and Stakeholder Engagement**

The department prioritized multi-stakeholder forums at county and sub-county levels to harmonize trade-related interventions. These included trade cluster meetings, cooperative dialogues, and joint inspections with the Departments of Health, Finance, and Enforcement to improve market compliance and safety standards.

These strategic priorities were designed to not only address persistent sectoral challenges such as informality, limited access to capital, and weak infrastructure but also to position Kisumu County as a competitive player in regional trade and investment. The outcomes of these efforts are elaborated in the next section under key achievements and strategic pillar analysis.

Key Achievements

a) **Trade and Enterprise Development**

The department oversaw ongoing improvement works in **Kibuye Market (Kisumu Central)**, including sanitation upgrades and structured relocation of traders to enable phased construction. In **Katito (Nyakach)** and **Muhoroni Central**, 135 traders benefited from allocation of new market stalls under the CRF-supported interventions. These efforts enhanced hygiene, orderliness, and safety in high-traffic informal markets. Trade officers conducted compliance and awareness drives in all sub-counties, leading to the licensing of 1,246 traders, most notably in **Kondele, Ahero, and Kombewa**. The drive also contributed to improved Own Source Revenue (OSR) collection and trader registration. Over 400 small-scale traders, 65% of them women, participated in business development training held in **Kisumu East, Nyando, and Seme**, covering topics like taxation, record keeping, and AGPO registration.

b) **Tourism Development and Promotion**

The department completed a geo-tagged database of **25 tourism sites** across Kisumu County, including sites in **Ndere Island (Nyakach), Fort Tenan (Muhoroni), Kit Mikayi (Seme), and Kisumu Impala Sanctuary**. The profiling is aimed at anchoring the county's tourism

investment and packaging strategy. Technical support was extended to at least 10 community-based tourism groups including **Kit Mikayi Cultural Dancers** and **Nyamaroka Eco-Tourism Group**, enhancing product development and readiness for domestic tourist hosting. Kisumu County participated in the **National Tourism Expo** in Nairobi, showcasing cultural artifacts, culinary products, and local artists from Nyakach and Seme, thereby positioning Kisumu as a lakeside tourism hub.

c) **Industrial and Investment Promotion**

The department facilitated forums with Jua Kali artisans in **Kondele, Maseno, and Awasi**, addressing access to public procurement opportunities, skills upgrading, and collective branding of metal works and furniture products. A draft framework for the Kisumu County Investment and Industrial Promotion Policy was completed and shared for stakeholder input. This will provide incentives and regulations to attract SMEs and larger investors into industrial parks.

d) **Marketing and Value Chain Support**

Weekly market days were formalized in **Koru, Nyakach, and Nyamasaria**, with county-level branding materials provided. This improved visibility and attracted cross-border buyers. The department supported 5 producer cooperatives in **rice (Ahero), fish (Dunga), and dairy (Koru)** with marketing support, packaging, and connections to buyers within Kisumu and neighboring counties.

e) Cross-Cutting Success: Inter-Sectoral Coordination and Stakeholder Engagement

A notable cross-cutting achievement was the strengthening of partnerships with key stakeholders. The department co-hosted trade forums with the **County Department of Finance** (for revenue integration), **Public Health** (for sanitation standards in markets), and **Youth Affairs** (for youth enterprise development). Engagements with CSOs, banks, cooperative unions, and tour associations enhanced project implementation, reduced duplication, and catalyzed resource mobilization.

Challenges Encountered

a) **Inadequate Infrastructure and Stalled Market Upgrades:** Many markets, especially in **Kisumu East (Nyamasaria)**, **Kisumu West (Maseno)**, and **Muhoroni (Omondi)** lacked adequate sheds, sanitation facilities, and drainage systems, leading to trader congestion, poor hygiene, and reduced customer confidence. The department, in collaboration with the Directorate of Public Works, prioritized critical upgrades in phases. Temporary solutions

such as portable toilets and open-air platforms were provided pending full infrastructure budgets in FY 2025/26.

b) **Staffing Gaps Across Directorates:** The department has only a limited number of cooperative and tourism officers, with some sub-counties such as **Seme** and **Muhoroni** lacking full-time personnel. Officers were cross-deployed across wards and sub-counties on rotational assignments. In some cases, trade officers were given additional training to temporarily support cooperative and tourism-related work.

c) **Low Awareness of AGPO and Compliance Requirements:** A large proportion of micro and small enterprises (MSEs), especially women-led ones, were unaware of the Access to Government Procurement Opportunities (AGPO) and business compliance requirements. The department rolled out six sensitization forums in target wards, prioritizing women and youth-led enterprises, and linked them to Huduma Centres and online registration portals.

d) Limited Budget for Tourism Promotion and Product Packaging: Though Kisumu County has strong cultural and ecological tourism potential, budgetary allocation for tourism product development and marketing remained minimal. The department collaborated with Kenya Tourism Board, Lake Region Economic Bloc (LREB), and community-based groups to promote destinations such as Ndere Island, Kit Mikayi, and Dunga Wetlands through joint platforms, expos, and volunteer-driven mapping.

e) **Cooperative Dormancy and Governance Disputes:** Several cooperative societies, particularly in **Muhoroni and Nyakach**, had become dormant due to poor leadership, internal conflicts, and lack of audit compliance. The directorate organized revival meetings, offered governance training, and began preliminary financial audits to reactivate viable groups and link them to county-level funding and marketing platforms.

Recommendations

a) **Increase Budgetary Allocation for Market Infrastructure**: Focus should be placed on completing phased upgrades in **Maseno, Ahero, Nyamasaria**, and **Koru**, prioritizing sanitation, roofing, and vendor zones.

b) **Recruit Additional Field Officers**: At least 4 new officers (2 for Tourism, 2 for Cooperatives) should be deployed in underserved sub-counties to improve outreach and service delivery.

c) **Establish Ward-Based Trade Committees**: Empower trader leadership structures to handle dispute resolution, sanitation compliance, and space allocation at grassroots level.

d) **Digitize Licensing and Revenue Collection**: Adopt mobile licensing platforms to improve compliance, data tracking, and reduce human interference in fee collection.

e) **Integrate Youth and Women Enterprises into Procurement Chains**: Formalize county partnerships with AGPO-registered groups, link them to cooperative marketing and artisan hubs.

f) **Enhance County Tourism Strategy**: Build a tourism investment portal, finalize the Kisumu Tourism Master Plan, and support community-driven ecotourism in **Seme, Nyakach**, and **Nyando**.

9. DEPARTMENT OF PUBLIC SERVICE, COUNTY ADMINISTRATION & PARTICIPATORY DEVELOPMENT.

The Department of Public Service, County Administration and Participatory Development (PSCAPD) plays a foundational role in strengthening governance, institutional coordination, service delivery, and citizen participation across Kisumu County. Its core mandate is to provide strategic leadership and oversight in public administration, human resource management, civic engagement, and the promotion of effective and accountable governance structures at all levels. Anchored in the Constitution of Kenya (2010), the County Governments Act (2012), the Public Service Commission Act, and the County Integrated Development Plan (CIDP III), the department serves as the administrative engine that supports all other county departments and governance structures. It is also the principal vehicle for operationalizing devolution through the deployment of public officers, operationalization of sub-county and ward offices, and facilitation of civic education and public participation frameworks. The department is structured into four primary directorates:

1. **Public Service Management and Human Resource Development**
2. **County Administration and Field Services**
3. **Public Participation and Civic Engagement**
4. **Disaster Risk Management and Special Programmes**

Strategic Priorities

a) Institutionalization of Performance Management

To foster a results-oriented public service, the department prioritized:

- Full cascading and monitoring of departmental Performance Contracts (PCs).
- Integration of performance tracking tools across departments and directorates.

- Capacity building of HR officers and departmental heads on performance reporting and evaluation.

b) **Enhanced Public Participation and Civic Education**

In pursuit of deepened democratic engagement and transparency, the department focused on:

- Convening **County Dialogue Days** to capture citizen voices in planning and budgeting.
- Scaling civic education campaigns on climate action, devolution, and service rights.
- Localizing civic content in vernacular languages for broader reach.

c) Strengthening of County Administration Systems

Recognizing the foundational role of Ward and Sub-County Administrators in service delivery, the department worked to:

- Improve coordination and reporting from decentralized units.
- Facilitate operational logistics including transport, ICT, and fuel.
- Build the leadership and administrative capacity of frontline officers.

d) Disaster Preparedness and Humanitarian Coordination

To enhance county resilience and early response capacity, the department undertook:

- Activation of flood preparedness protocols and multi-agency coordination.
- Risk communication to communities prone to floods and displacement.
- Strengthening the link between chiefs, community leaders, and county DRM units.

e) Service Delivery Monitoring and Citizen Feedback

To promote accountability and responsiveness, the department institutionalized:

- **Huduma Mashinani** – a mobile service delivery initiative gathering public feedback in situ.
- Monitoring of service delivery bottlenecks and community grievances.
- Use of real-time tools and structured community scorecards.

Key Achievements

a) Public Service Management & Human Resource Development

The department successfully finalized the implementation of the county-wide staff rationalization plan. Over 320 county officers were either redeployed or promoted based on merit and capacity needs. A notable achievement was the rollout of a Digital Performance Appraisal System, which enabled more transparent and timely evaluations for county employees across all departments. In collaboration with the County Public Service Board, the department conducted three in-service trainings for administrative and HR officers on values

and ethics, digital HRMIS usage, and gender-sensitive workplace conduct. These interventions enhanced organizational efficiency and alignment with public service delivery standards.

b) County Administration and Field Services

Through the Huduma Mashinani framework, the department operationalized 12 previously dormant ward offices, refurbishing and equipping them with ICT and logistical tools. This improved citizen access to government services and provided a visible government presence at the grassroots. Field mobility was further improved with the deployment of 8 motorcycles and 3 utility vehicles to sub-county and ward offices, enabling real-time reporting, coordination, and oversight of county programs. Across all 7 sub-counties, Ward and Sub-county Administrators facilitated quarterly development coordination forums with other departments and stakeholders.

c) Civic Engagement and Public Participation

In line with legal requirements and the County Planning Cycle, the department convened public participation forums in all 35 wards, reaching approximately 12,500 residents. These forums were critical for gathering community input into the preparation of the FY 2025/2026 Annual Development Plan (ADP). Civic educators also conducted focused awareness campaigns on devolved governance, access to public services, and citizen rights—especially targeting women, youth, and persons with disabilities. Feedback tools such as suggestion boxes, SMS platforms, and barazas were used to ensure inclusive participation and documentation of citizen priorities.

d) Disaster Risk Management and Special Programmes

With increasing flood-related risks in Nyando, Nyakach, and Kisumu East, the department activated Rapid Response Units in collaboration with the Kenya Red Cross, County Disaster Committees, and the National Disaster Operations Centre. A total of 10 emergency alerts were responded to, saving lives and livelihoods through early warning, evacuation, and relief coordination. Community-level risk mapping exercises were conducted in 12 vulnerable wards, which informed the development of localized contingency plans. Relief items including food, bedding, and hygiene kits were distributed to over 800 households affected by seasonal floods and fire outbreaks.

Challenges Encountered

a) **Delayed Submission of Departmental Performance Contracts:** Some departments were slow to finalize and submit their PCs, especially in aligning indicators to sector-specific outcomes. This delay risked non-compliance with timelines for cascading and hindered

timely reporting on progress. The department increased interdepartmental follow-ups and offered targeted support to departments facing technical capacity constraints in drafting and submitting their PCs.

b) **Low Turnout in Civic Forums:** In certain rural wards, civic education forums and dialogue days recorded lower-than-expected attendance, largely due to insufficient pre-event mobilization and limited public awareness. The department strengthened community mobilization by leveraging Ward Administrators, village elders, and religious leaders. Plans were also made to integrate civic messaging into vernacular radio and local FM stations.

c) Logistical Gaps in Field Coordination: Some Sub-county and Ward Administrators experienced logistical challenges such as fuel shortages and delayed facilitation, which impacted field supervision and administrative reporting. The department prioritized essential facilitation requests and revised internal resource allocation to ensure continued field presence for critical service monitoring.

d) Inadequate Real-Time Data for Disaster Response: During flood events in Nyando and Kisumu West, accurate and timely household-level data was not readily available, making it difficult to estimate needs and coordinate relief distribution. The department collaborated with local chiefs and volunteer networks to conduct rapid assessments and initiated plans to develop a mobile-based disaster reporting tool for use in future emergencies.

Recommendations

a) **Institutionalize Quarterly Performance Clinics**: To improve monitoring and compliance, the department should hold quarterly performance review clinics for all departments and provide continuous support in PC tracking.

b) **Localize Civic Education through Radio and Theatre**: To reach wider and more diverse audiences, civic content should be translated into local languages and disseminated via vernacular radio, community theatre, and social media.

c) **Digitize Huduma Mashinani Feedback Tools**: Develop a mobile or web-based tool for recording, tracking, and analyzing feedback gathered during Huduma Mashinani forums for real-time insights.

d) **Accelerate Development of Public Service Audit Framework**: Finalize the draft tools for HR audit and performance tracking and initiate a phased roll-out starting with two pilot departments.

e) **Strengthen DRR Reporting Infrastructure**: Develop mobile-friendly templates and dashboards for early warning, incident mapping, and post-disaster needs assessment in coordination with chiefs and sub-county teams.

10. DEPARTMENT OF FINANCE, ECONOMIC PLANNING & ICT (E-GOVERNMENT) SERVICES

The Department of Finance, Economic Planning & ICT (E-Government) Services is mandated to spearhead prudent economic management, sound public financial practices, strategic policy planning, and the integration of digital governance systems in Kisumu County. It plays a central role in driving fiscal discipline, institutional efficiency, citizen engagement, and evidence-based decision-making across all sectors of the County Government. In line with the Public Finance Management (PFM) Act, 2012, and the Constitution of Kenya 2010, the department is responsible for coordinating the county's budgeting cycle, economic planning, revenue forecasting, expenditure control, and policy formulation. This also includes monitoring and evaluation (M&E) of development initiatives to ensure value for money and measurable outcomes.

Additionally, through the Directorate of ICT, the department leads the county's digital transformation agenda. It is mandated to automate public service delivery, enhance digital access and connectivity, ensure effective management of ICT infrastructure, and promote open governance through accessible information systems. The integration of ICT in public service enables real-time access to data, improved planning tools, and enhanced accountability.

Strategic Priorities

a) **Completion of the County Budget Process for FY 2025/2026**

- Finalize and submit the County Budget Estimates to the County Assembly for deliberation and approval.
- Prepare the corresponding Appropriation Bill and publish the approved budget.
- Consolidate and publish Budget Implementation Report to enhance fiscal accountability and public transparency.

b) **Strengthening Public Finance Management (PFM) Systems**

- Promote fiscal discipline by ensuring timely, transparent, and realistic revenue and expenditure planning.

- Improve the quality of expenditure through accurate performance tracking and publication of quarterly budget implementation reports.
- Support the rollout and operationalization of key financial management systems including IFMIS and the Biometric Payroll Verification Tool.

c) **Advancing Evidence-Based Policy and Planning**

- Finalize the draft of the **Second Kisumu County Statistical Abstract (CSA 2024)** to support planning, resource allocation, and M&E functions.
- Enhance capacity in data analysis and economic forecasting to support development of sectoral plans and performance reporting.

d) **Enhancing Participatory Planning and Budgeting**

- Organize and conduct **public hearings** across the sub-counties to gather citizen views on the FY 2025/2026 budget.
- Promote inclusivity by ensuring participation of marginalized groups, youth, women, persons with disabilities, and civil society in the planning process.

e) **Driving Countywide ICT Integration and Digital Transformation**

- Support the design and deployment of the **County Revenue Streams Mapping Survey Tool** to identify, geolocate, and digitize county revenue sources for integration into the Revenue Management System.
- Provide continuous system support for existing platforms including the **E-Board**, **Biometric System**, **EDMS**, and **Fleet Management System**.
- Modernize the **County Website and Digital Information Screens** to provide real-time access to services and information for citizens and county staff.

f) **Building Internal Capacity and Digital Literacy**

- Roll out structured training programs for ICT staff and other county users to ensure effective utilization of existing systems.
- Engage interns and student attachés to support system development, troubleshooting, and digital service delivery, while building a pipeline of local digital talent.

g) **Policy and Legal Framework Strengthening**

- Fast-track the approval and operationalization of the **County ICT Policy** to guide digitization and e-governance.
- Initiate development of a **County Statistics Policy** to institutionalize data governance, standardization, and coordination across departments.

h) Enhancing M&E Systems.

- Strengthening ward M&E Structures at the Sub-County Levels.
- Heightening monitoring of Development projects.

These priorities aimed to enhance service delivery, promote good governance, and lay a strong foundation for sustainable socio-economic development across Kisumu County. The department's coordinated efforts reflect a strong commitment to accountability, inclusivity, innovation, and evidence-led policy implementation.

Key Achievements

a) **Successful Finalization of the FY 2025/2026 Budget**

County Budget Estimates for FY 2025/2026 were prepared, submitted to the County Assembly, and subsequently published for public access. The **Appropriation Bill** for the approved budget was drafted and submitted to guide legal expenditure authorization in the new financial year.

b) **Timely Publication of Performance Reports**

Quarterly Budget Implementation Reports were developed, published, and disseminated, enabling real-time performance tracking and citizen accountability.

c) **Public Participation in Budgeting**

A series of **public hearings** were successfully conducted across sub-counties, engaging citizens and stakeholders in reviewing and shaping FY 2025/26 budget priorities.

d) **Development of the Second Kisumu County Statistical Abstract (CSA 2024)**

A **draft version** of the 2024 County Statistical Abstract was completed, enhancing the county's capacity for evidence-based planning, M&E, and policy formulation.

e) **Digitalization of Revenue Management**

The **County Revenue Streams Mapping Tool** was developed and deployed to identify, geolocate, and document all existing and potential county revenue sources. The data collected will be integrated into the Revenue Management System in FY 2025/26.

f) **Strengthening of ICT Systems and Infrastructure**

The department provided **continuous technical support** for major county systems including: IFMIS, E-Board, Biometric System, EDMS, and Fleet Management System. The **County Website and digital information screens** were revamped for real-time access to services and information by staff and the public.

g) **Human Capacity Development in ICT**

The department engaged **student attachés and interns** in key ICT projects and provided training for staff on new systems, including Biometric and EDMS platforms.

Challenges Encountered

a) **Delayed And Inadequate Disbursement Of Funds:** Several Planned Activities, Such As Completion Of The Statistical Abstract, Procurement Of Ict Infrastructure, And Finalization Of Policy Documents, Were Delayed. Late Disbursements Also Affected The Timely Rollout Of Public Participation Sessions And Printing Of Key Budget Documents. The Department Prioritized Critical Expenditures Like Budget Submission And Reporting Requirements, While Low-Risk, High-Cost Activities (E.G., Major Ict Upgrades) Were Deferred. It Initiated Discussions With The County Treasury To Implement A More Predictable Cash Flow Management Plan And Adopted Cost-Saving Mechanisms Such As Leveraging Online Platforms For Communication And Data Collection.

b) **Weak Inter-Departmental Planning Coordination:** Limited Input From Technical Departments During Budget Formulation Led To Gaps In Sectoral Allocations And Inconsistencies Between Planning Documents And Budgets. This Undermined The Integration Of Performance Indicators In The Budget Framework. The Department Introduced Planning Alignment Clinics And Pre-Budget Briefings For Departments. These Sessions Aimed To Harmonize Targets, Streamline Sectoral Proposals, And Increase Ownership Of Planning Outputs. Going Forward, The Department Plans To Automate Sections Of The Planning Cycle To Enable More Collaborative Inputs.

c) **Inadequate Technical Human Resources:** Staffing Shortfalls In Statistics, Gis, Data Analysis, And Ict Engineering Affected The Quality And Pace Of Deliverables. The Limited Pool Of Technical Staff Also Increased Overdependence On A Few Individuals, Reducing Institutional Resilience. The Department Supplemented Its Human Resource Base Through Engagement Of Interns And Student Attachés Who Supported System Development, Data Entry, And Helpdesk Support. It Also Implemented A Task-Based Deployment Model To Optimize The Available Personnel.

d) **Resistance To Change And Low Digital Adoption** Some County Staff Were Hesitant To Fully Utilize New Digital Systems, Leading To Underutilization Of Platforms Such As The Biometric Payroll, Edms, And Digital Document Approval Tools. This Resistance Slowed Down Service Delivery And Hindered Automation Goals. The Ict Directorate Conducted Targeted On-The-Job Trainings, Peer Mentoring, And Awareness Sessions

On The Benefits Of Automation. "Digital Champions" Were Appointed Within Departments To Act As Liaisons And Encourage System Uptake.

e) **Slow Procurement Processes And Bureaucratic Bottlenecks:** Delays In Procurement Of Software Licenses, Server Upgrades, And Ict Equipment Maintenance Disrupted Planned Ict Service Enhancements And System Scalability. The Department Began Developing Standard Specifications And Framework Agreements To Fast-Track Routine Procurement. It Also Initiated Discussions On Setting Up A Pre-Qualified Supplier List For Ict-Related Goods And Services.

f) **Lack Of Approved Policy And Legal Frameworks:** The Absence Of Approved County Ict And Statistics Policies Weakened Coordination, Standard-Setting, And Resource Mobilization In Data Management And Digital Transformation. It Also Limited Access To External Funding Or Partnerships. The Department Finalized And Submitted Both Policy Documents To The County Executive Committee. Advocacy And Engagement With The County Assembly And Legal Units Were Intensified To Fast-Track Approvals In Q1 Of Fy 2025/2026.

Recommendations

a) **Strengthen Financial Management and Planning Discipline:** Implement rolling budget forecasts and quarterly expenditure plans to cushion against funding unpredictability. Introduce cross-sectoral budget validation sessions to ensure alignment between plans, budgets, and performance targets.

b) **Finalize and Operationalize Critical Policies:** Fast-track the approval and gazettement of the **County ICT Policy** and **County Statistics Policy**. Initiate the establishment of a **County ICT Fund** to provide dedicated financing for digitization projects and infrastructure upgrades.

c) **Invest in Technical Human Capital:** Recruit specialized staff in data science, GIS, M&E, and ICT systems administration. Institutionalize regular, needs-based capacity-building programs, including certification opportunities for planning and ICT staff.

d) **Optimize Procurement and ICT Infrastructure Deployment:** Develop annual procurement plans with pre-approved ICT specifications to avoid delays. Promote use of multi-year framework contracts for recurring ICT supplies and system licenses.

e) **Expand ICT Systems and Public Access Platforms:** Fully integrate the **Revenue Mapping Tool** into the County Revenue Management System to enhance own-source revenue tracking. Enhance interconnectivity across sub-county and ward offices to ensure uniform access to ICT services and reporting platforms.

f) **Deepen Civic Engagement and Feedback Mechanisms:** Use digital platforms (e.g., SMS alerts, mobile dashboards, citizen surveys) to provide updates and collect public feedback on county performance. Translate budget documents into Kiswahili and local languages and make them available in simplified formats for grassroots dissemination.

g) **Introduce Performance Dashboards and KPIs:** Develop department-specific dashboards to monitor real-time performance indicators linked to budget execution. Align KPIs with service delivery goals to improve monitoring, evaluation, and learning across the planning and finance value chain.

CROSS CUTTING CHALLENGES ACROSS DEPARTMENTS

1. **Delayed Disbursement of Funds from the National Treasury**

One of the most critical challenges affecting all departments was the **delayed release of equitable share and conditional grants** from the National Government. This disrupted timely procurement, contract execution, and implementation of planned activities across health, infrastructure, agriculture, and education sectors. The knock-on effect included postponed project commissioning, idle labour and equipment, and delays in disbursing essential operational and development funds to sub-counties and implementing units.

2. **Inadequate Technical Personnel and Staff Shortages**

Several departments operated with **limited human resources**, particularly technical officers required for field-level implementation and supervision. For example, the Departments of Trade, Agriculture, Water, and Environment faced shortages of extension officers, engineers, inspectors, and specialized staff (e.g., cooperative officers, water technicians). This undermined timely service delivery, reduced reach in far-flung wards, and increased the workload on existing personnel, thereby affecting efficiency and service quality.

3. **Poor or Incomplete Infrastructure**

Multiple projects across sectors were hindered by **degraded access roads**, especially in rural areas affected by unseasonal rainfall and floods. This delayed material transport, supervision missions, and citizen access to critical services like health, education, and markets. Inadequate power connectivity and internet coverage also limited the operationalization of digital innovations and data systems across departments, especially in VTCs, health centres, and administration offices.

4. **Procurement and Contract Management Delays.**

Slow internal procurement processes, exacerbated by capacity gaps among project implementation teams and contractors, contributed to **delays in project start-up and execution**. Variances in interpretation of procurement regulations and prolonged evaluation timelines undermined quarterly targets, especially for infrastructure projects under the Roads, Housing, Energy, and Water departments.

5. **Climate-Related Disruptions.**

Erratic rainfall and localized flooding in Nyando, Nyakach, parts of Seme, and parts of Kisumu West significantly **affected project timelines, agriculture performance, and school attendance**. Some public works were washed away, seed distribution schedules were disrupted, and disease outbreaks (e.g., waterborne illnesses) affected already stretched health facilities.

6. **Weak Data Systems and M&E Gaps.**

While progress was made in rolling out Ward M&E Trainings at the Sub-County level to enhance oversight at that level, **several departments still have weak robust data collection, analysis, and reporting mechanisms.**This created inconsistencies in tracking outputs, especially for programs such as youth and women empowerment, sanitation services, nutrition, and cooperative support. The lack of real-time data limited evidence-based planning and hindered county-wide aggregation of results.

7. **Community Engagement Gaps in Project Prioritization**

Despite public participation mechanisms being in place, some projects were **poorly aligned with community needs**, particularly where political influence or inadequate stakeholder consultations overshadowed technical planning. This resulted in underutilized infrastructure, disputes over location or design, and resistance during implementation.

8. **Limited Coordination Between Departments**

Interdepartmental collaboration remained **weak in some cases**, with siloed implementation leading to duplication of efforts or missed opportunities for synergy. For example, linkages between Health and Water in sanitation promotion, or Education and Social Services in disability inclusion were not fully harnessed.

9. **Rising Demand vs Resource Constraints**

Across departments, the **demand for services consistently outpaced available resources**, particularly in education (school feeding, bursaries), health (medicines, staffing), agriculture (farm inputs), and youth empowerment. As county populations grow, especially in urban peripheries, departments are struggling to meet growing needs with stagnant or shrinking allocations.

10. **Infrastructure Vandalism and Weak Community Ownership**

Instances of vandalism, theft of construction materials, and misuse of public facilities were reported, especially in newly completed ECDE centres, water kiosks, and market shades. This pointed to weak local oversight structures and insufficient investment in community sensitization and ownership.

These cross-cutting challenges reflect both structural and operational issues that require medium- to long-term institutional solutions. Many of them can be addressed through improved planning, decentralization of service delivery, digitization, capacity building, and participatory governance.

CROSS-SECTIONAL OPPORTUNITIES FOR KISUMU COUNTY

Kisumu County had unique opportunity to reflect on progress made under pressure and how institutional resilience, innovation, and citizen engagement can transform service delivery. A number of critical lessons emerged across departments, offering both immediate insights and long-term guidance. Firstly, the importance of **financial agility and multi-sourcing of funds** was underscored. The delays in national disbursements revealed the vulnerability of County programming when heavily reliant on the equitable share. Departments that had secured conditional grants, such as FLLoCA, CRF, or development partner support, were able to maintain continuity in infrastructure rollout and service delivery. Going forward, institutionalizing blended financing models and expanding resource mobilization efforts will be vital to insulating development from fiscal shocks.

Secondly, Through structures such as Ward Climate Planning Committees (WCPCs), Ward Development Committees, and community oversight panels, departments saw improved ownership, accountability, and alignment of projects to real needs. This was especially true in agriculture, climate adaptation, and disaster response. Investing in building the capacity of ward-level structures presents a scalable opportunity to deepen participatory governance and strengthen project sustainability.

Thirdly, it became evident that **investments in human capital remain foundational** to service improvement. Across sectors, departments that enhanced frontline workforce—such as the recruitment of ECDE teachers, health interns, or agricultural extension officers, reported better community engagement and outcomes. Moreover, departments that embraced staff upskilling,

joint field missions, and performance monitoring saw stronger cross-functional results. Strengthening human resource planning and staff motivation schemes is therefore essential in delivering the CIDP III goals. Another critical lesson was the growing value of **digitization in enhancing transparency and efficiency**. The automation of revenue collection, digitized bursary systems, market licensing portals, and emerging service delivery dashboards significantly improved data integrity, turnaround times, and accountability. These systems also facilitated performance tracking by M&E teams. However, the need to expand digital infrastructure to cover more rural and underserved areas is now apparent, and presents a clear opportunity for public-private partnerships in connectivity.

Additionally, the County learnt that **climate change is no longer a peripheral concern** but a central development issue. The disruptions caused by flash floods, water stress, and crop failures highlighted the urgency of integrating resilience-building across all sectors, from infrastructure to health to education. The successful pilot of community-led adaptation planning and the targeting of green infrastructure under the CCCF and FLLoCA projects suggest that climate-responsive budgeting should become a norm, not an exception. The report also highlighted the potential of **youth innovation and enterprise** when properly supported. The surge in youth-led proposals under the Innovation Challenge Fund, strong participation in vocational training and cooperative platforms, and growing digital engagement across sectors revealed a ready pipeline of energy and ideas. Aligning this momentum with structured mentorship, incubation, and market access opportunities will unlock new frontiers for economic transformation.

Finally, a key institutional lesson was the effectiveness of **interdepartmental coordination and multi-sectoral delivery**. Where departments collaborated, such as Health and Water on WASH, Education and Social Services on inclusive learning, or Trade and Youth on market spaces, results were more impactful and efficient. Embedding joint planning, shared performance targets, and integrated project pipelines is an opportunity the County must prioritize going into FY 2025/26.

Kisumu County has the institutional depth, social capital, and adaptive capacity to navigate fiscal, climatic, and demographic challenges. By scaling the lessons of localized planning, workforce investment, digitization, climate adaptation, and cross-sectoral collaboration, the County can drive inclusive and sustainable development into the next fiscal year and beyond.

Recommendations

1. **Strengthen County Fiscal Discipline and Resource Mobilization:** A consistent challenge was delayed in implementation of planned activities due to unpredictable and late national disbursements. To mitigate future fiscal disruptions, the County Government should adopt a two-fold approach: first, enhance its Own Source Revenue collection mechanisms by digitizing revenue Streams across all sub-counties and investing in real-time monitoring dashboards; and second, actively pursue external financing through donor engagement, public-private partnerships (PPPs), and sectoral conditional grants. Strengthening the planning and budgeting linkages between the CFSP, CIDP, and annual workplans will also improve resource alignment and expenditure efficiency.
2. **Improve Workforce Planning and Technical Capacity at the Sub-County Level:** Human resource gaps, particularly in technical and field-based roles, remain a structural limitation across departments. In the coming fiscal year, the County Public Service Board and HR departments should prioritize the recruitment and equitable deployment of technical personnel including health workers, engineers, agronomists, early childhood instructors, and VTC trainers. Short-term strategies should include structured internship programs, secondments, and in-service training. Workforce audits should be institutionalized to guide deployment, succession planning, and performance-based promotions.
3. **Institutionalize Participatory Planning and Community-Led Delivery:** The successes of Ward Climate Planning Committees and localized disaster response highlight the effectiveness of citizen-centric planning. The county should formalize and resource ward-level development structures, ensuring their participation in planning, budgeting, monitoring, and social accountability processes. These mechanisms should be mainstreamed in all sectors—beyond climate programming, to include water management, youth enterprise, infrastructure maintenance, and inclusive education. Ward-based Development Plans should inform county budgets, not merely reflect them.
4. **Embed Climate Resilience Across Sectors:** Given the frequency and severity of weather disruptions experienced, Kisumu County must mainstream climate adaptation into its development blueprint. This includes budgeting for green infrastructure, enforcing environmental protection bylaws, enhancing drainage systems, and scaling rainwater harvesting and flood management in high-risk wards. Departments should integrate climate risk screening into project design. Coordination with NDMA, KMD, and civil society actors will enhance responsiveness to early warning alerts and enable timely preparedness.

5. **Scale Digitization of County Systems and Service Points:** The report revealed that digitization improves efficiency, transparency, and citizen confidence in public institutions. The county should expand the deployment of digital platforms for revenue collection, licensing, bursary applications, and project monitoring. Investment in digital infrastructure, including internet access in VTCs, health centres, sub-county offices, and market centres, should be prioritized, with partnerships formed with ICT agencies and private service providers. Training staff and citizens in digital literacy will further enhance system utilization.
6. **Enhance Procurement Planning and Contract Management:** Procurement delays contributed to underperformance, particularly in infrastructure projects. Departments should prepare timely procurement plans aligned with their annual workplans at the start of the financial year. Procurement teams must be supported with continuous training, digitized tender management systems, and cross-checks by internal audit and M&E teams. Early engagement with contractors and establishment of performance-based contracts will ensure timely execution and accountability.
7. **Promote Youth Economic Empowerment and Innovation:** There is untapped potential among Kisumu's youth, evidenced by participation in innovation challenges, VTCs, and the creative economy. The county should expand youth-specific funds and link them to mentorship, incubation, and market access platforms. Investment in arts, sports, agri-tech, and digital commerce is critical. Youth representation in sectoral committees, cooperative boards, and climate funds should be institutionalized to ensure that innovation informs county priorities.
8. **Strengthen Multi-Sectoral Coordination and Delivery:** The report underscored the need for integrated service delivery. The county should institutionalize cross-departmental taskforces or delivery units, especially around intersecting mandates, e.g., WASH (Water, Health, Education), social protection (Education, Gender, Social Services), or enterprise (Trade, Youth, Cooperatives). Joint planning, shared targets, and integrated M&E frameworks will reduce duplication, maximize resource use, and improve impact.
9. **Reinforce Social Accountability and Civic Engagement:** Enhanced community ownership was evident where project beneficiaries were engaged in planning and oversight. Moving forward, the county should invest in civic education, participatory budgeting, and citizen reporting tools. Feedback mechanisms such as ward forums, SMS reporting platforms, and service satisfaction surveys should be scaled. Embedding gender and disability inclusion in all public participation efforts will further enhance equity.

10. **Prioritize Maintenance and Sustainability of Infrastructure: N**ew facilities were commissioned, including roads, water projects, ECDE centres, and health units, require maintenance frameworks to ensure continuity. Departments should develop and cost maintenance plans, identify responsible community units or facility committees, and ensure they are trained, resourced, and monitored. Ownership models like community-based management (CBM) or public–user partnerships should be explored for sustainability.
11. There is need to develop a strong M&E Framework, which will ensures data, realigns with decision, and enables adaptive learning and accountability, which will define results and success in implementation of County Projects and programs**.**

Looking ahead, Kisumu County will operationalize these recommendations through the roll-out of the FY 2025/26 Annual Development Plan (ADP) and sectoral workplans. Emphasis will be placed on aligning budget execution with performance, accelerating the finalization of key policies (e.g., workforce policy, climate policy), and conducting county-wide mid-term reviews of the CIDP III. The County Executive will also strengthen quarterly performance reviews with departments and county assemblies, ensuring real-time corrective action and adaptive leadership.

CHAPTER 3: CONCLUSION, KEY OBSERVATIONS AND WAY FORWARD

Conclusion

The Progress Report provides an in-depth account of Kisumu County Government's performance during the final stretch of the 2024/2025 financial year. In quarter, four marked a period of both consolidation and acceleration, as departments worked to close the fiscal year on a strong note while responding to dynamic operational realities on the ground. Despite a challenging implementation environment, characterized by delayed national disbursements, climatic shocks, rising inflation, and human resource gaps, County Government remained largely on course in executing its planned activities across priority sectors.

Departments made significant progress in expanding access to essential services including early childhood education, health care, clean water, agricultural extension, rural infrastructure,

youth development, and social protection. Key development projects were completed under the FLLoCA and CRF frameworks, digitization efforts gathered pace, and citizen engagement improved markedly through ward-level M&E committees and field-based monitoring.

The report also reveals that Kisumu County has evolved into a more adaptive institution, capable of responding to crises, absorbing feedback, and shifting gears to protect development gains. That said, structural issues such as fiscal dependency, limited technical capacity at the grassroots, uneven digital access, and coordination gaps must still be addressed in a sustained and strategic manner.

Key Observations

Resilience Amid Fiscal Shocks: The County's ability to realign priorities and sustain essential services despite delayed disbursements demonstrated a growing institutional maturity and resilience framework.

- **Local Planning Structures Work**: The rollout and activation of community-led structures, especially in climate, disaster risk reduction, and enterprise development, proved instrumental in enhancing ownership, efficiency, and responsiveness.
- **Data Systems Are a Work in Progress**: While the County has taken steps to improve M&E, inconsistencies in data collection and reporting still limit evidence-based planning. Departmental dashboards and integrated digital systems are still nascent.
- **Climate Risk is Mainstream, Not Marginal**: Weather-related disruptions affected nearly every sector, pointing to the need for climate-proofing infrastructure and integrating resilience thinking into everyday planning and budgeting.
- **Youth and Women Inclusion is Expanding**: Through affirmative action in training, cooperative development, bursaries, and innovation funds, previously marginalized groups are increasingly participating in governance and economic spaces.
- **Infrastructure Without Maintenance Plans is a Risk**: While numerous physical assets were delivered, several departments lacked clear post-completion sustainability strategies—including user agreements, maintenance budgets, or governance structures.

Way Forward

To consolidate gains and scale impact in FY 2025/2026 and beyond, Kisumu County must now transition from high activity to high performance through the following strategic actions:

- **Institutionalize Integrated Planning and Service Delivery**: Departments must collaborate intentionally; sharing targets, budgets, and outputs where mandates intersect. County M&E frameworks should capture cross-sectoral performance and citizen feedback through implementation of e-CIMES.

- **Prioritize Human Capital Development**: The County should match sectoral ambitions with adequate workforce investments. This includes not only recruiting but also training, equipping, and retaining frontline staff in health, education, agriculture, and engineering.
- **Accelerate Digital Transformation**: The County should fast-track automation of service delivery, resource tracking, and citizen engagement platforms, especially in licensing, M&E, education, and revenue systems.
- **Mainstream Resilience and Adaptation**: Every department should embed climate risk screening in its project lifecycle. Community-managed adaptation projects must be scaled across all Eight sub-counties using FLLoCA, CCCF, and similar frameworks.
- **Expand Revenue Base and Financial Predictability**: To reduce fiscal vulnerability, the County must enhance own-source revenue collection, streamline finance controls, and explore PPPs for infrastructure, ICT, and housing.
- **Improve Asset Management and Facility Utilization**: Infrastructure investments must be accompanied by clear sustainability frameworks, including community co-management, routine maintenance schedules, and utility optimization.
- **Foster Innovation and Accountability through Public Participation**: Ward-level forums, citizen scorecards, and digital feedback loops should be institutionalized, with special provisions for youth, women, and persons with disabilities.
- **Monitor and Reflect Systematically**: Quarterly performance reviews should be embedded into governance cycles. Learning from both success and failure must become part of the County's operating culture.

REPUBLIC OF KENYA

COUNTY GOVERNMENT OF KISUMU

COUNTY TREASURY

BUDGET IMPLEMENTATION REVIEW REPORT

FY2023/2024

FOREWORD

County Government Budget Implementation Review Report (CBIRR) for (FY) 2023/22024 has been prepared in conformity with Article 228 (6) of the Constitution and Section 9 of the Controller of Budget Act, 2016, which require the Controller of Budget (COB) to submit to Parliament a report on the implementation of the budgets of the National and County Governments every four months. The report also fulfils requirements of Section 39 (8) of the Public Finance Management (PFM) Act, 2012, which requires the COB to ensure members of the public access information on budget implementation of the National and County Governments.

This report presents the Kisumu County governments' budget performance for the years ended 31st July 2024. It is based on an analysis of financial and non-financial performance submissions from the Departments to the County Treasury and financial reports generated from the Integrated Financial Management Information System (IFMIS). Some of the information contained in this report includes; approved budgets, budget financing, exchequer issues, actual expenditure and budget absorption rates of the County Governments during the reporting period. Preparation of this report was made possible through the concerted efforts of staff from the Directorate of Economic Planning and Budgeting, to whom I am highly grateful for their dedication. I urge all readers to constructively engage county governments on budget implementation matters to promote prudent use of public resources.

GEORGE O. OKONG'O

CECM – FINANCE AND ECONOMIC PLANNING AND ICT SERVICES

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EXECUTIVE SUMMARY

The supplementary budget for the financial year 2023/2024 introduced notable adjustments, culminating in a revised total budget of Kshs 13.7 billion. The National Equitable Share was the primary revenue source, contributing 61% of the budget, equivalent to Kshs 8.4 billion. Own Source Revenue followed with a 17% share, amounting to Kshs 2.3 billion, while Conditional Grants contributed 12%, totaling Kshs 1.6 billion. An opening balance of Kshs 1.45 billion, carried forward from the previous year, accounted for 11% of the total budget. Despite these allocations, the actual receipts for the year amounted to Kshs 11.3 billion, reflecting an 83% performance against the budget. Expenditure performance was marked by an 82% absorption rate, with recurrent expenses at 91% and development expenditure at 64%. The budget implementation faced several challenges, including delayed disbursements from the National Government, inadequate funding, procurement delays, and infrastructure damage due to severe weather events. These issues hindered the timely execution of projects and efficient service delivery. To address these challenges, recommendations were made to enhance infrastructure resilience, diversify funding sources, streamline procurement processes, and strengthen financial coordination and contract management. These measures aim to improve budget utilization, project completion rates, and overall service delivery in the county

BUDGET HIGHLIGHTS

Following the supplementary budget of the financial year 2023/2024, significant adjustments were made to the approved budget components. The revised allocation included a balance brought forward from the previous fiscal year (2022/2023) at 11%, totaling 1,450,625,819. The National Equitable Share remained the predominant source, contributing 61% with an amount of 8,361,797,770., Local Revenue Sources 2,282,844,694 (17%), while Grants was at 1,602,596,921 (12%), collectively forming the revised total budget of 13,697,865,204

Table 1:Summary of County Revised Revenue Projections 2023/2024

Source	Amount	Percentage
Equitable share	8,361,797,770	61%
Conditional Grants	1,602,596,921	12%
Own Source Revenue	2,282,844,694	17%
Opening Balance	1,450,625,819	11%
Total Revenues	**13,697,865,204**	

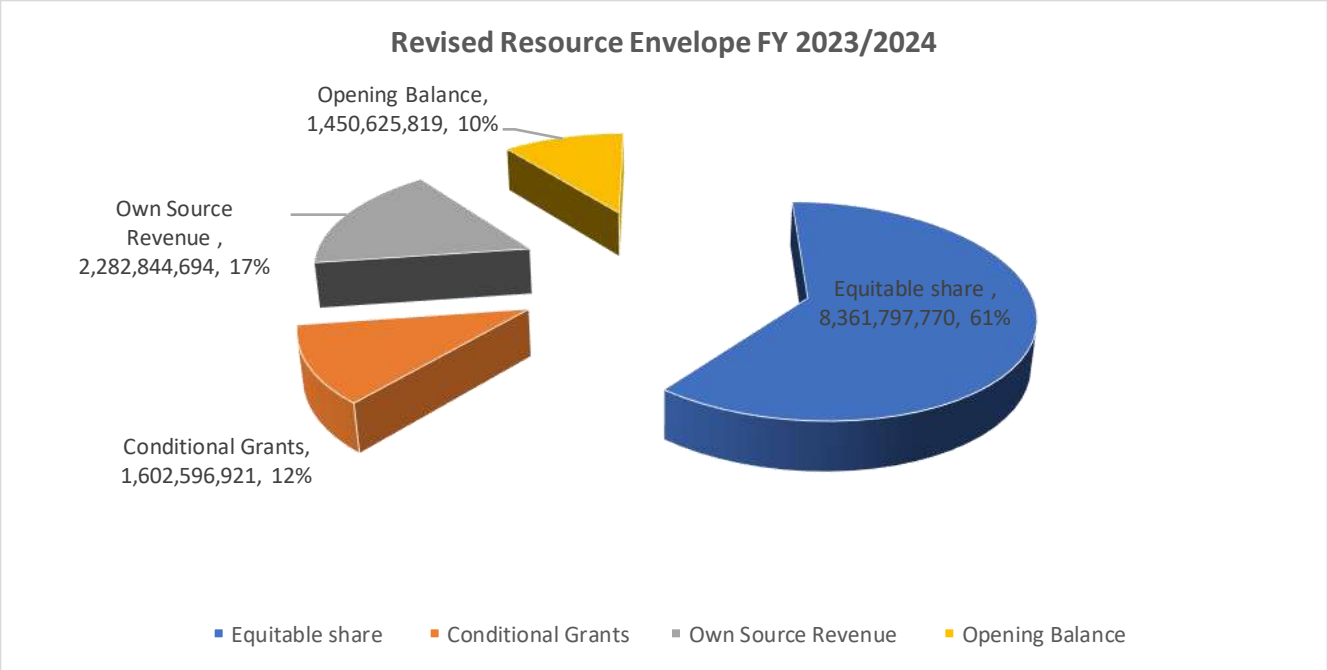


Figure 1: Summary of County Revised Revenue Projections 2023/2024

FINANCIAL ANALYSIS OF COUNTY BUDGET IMPLEMENTATION IN FY 2023/2024

Revenue Outturn

During the period under review, the County's receipts amounted to **Kshs. 11,336,715,420.** This includes a sum of **Kshs.7,692,853,946** as equitable share, Conditional grants amounting to **Kshs. 749,627,667,** Balance brought forward from FY 20233/2023 amounting to **Kshs.1,450,625,819** and Own Source Revenue (OSR) collections of **Kshs 1,443,607,988**

Table 2:Revenue Outturn 2023/2024

Revenue Source	Annual Revenue Allocation (in Kshs)	Actual Receipts	Overall Performance (%)
Equitable share	8,361,797,770	7,692,853,946	**92%**
Conditional Grants	1,602,596,921	749,627,667	**47%**
Sub total	**9,964,394,691**	**8,442,481,613**	**85%**
Own Source Revenue	2,282,844,694	1,443,607,988	**63%**
Sub Total	**2,282,844,694**	**1,443,607,988**	**63%**
Opening Balance	1,450,625,819	1,450,625,819	**100%**
Total Revenues	**13,697,865,204**	**11,336,715,420**	**83%**

Exchequer Releases

The actual exchequer releases from the National Government amounted to **Kshs. 8,442,481,613** against the annual projection of **Kshs. 9,964,394,691**. This depicted a performance rate of **85** percent. This comprised of equitable share and conditional grants as represented by Table below

Table 3:Quarterly Exchequer releases 2023/2024

Revenue Source	Actual Receipts 1st Quarter	Actual Receipts 2nd Quarter	Actual Receipts 3rd Quarter	Actual Receipts 4th Quarter	Totals
Equitable share	2,090,449,442	1,379,696,632	1,379,696,631	2,843,011,241	7,692,853,946

Conditional Grants	32,856,078	500,000	369,461,423	346,810,166	749,627,667
Totals	**2,123,305,520**	**1,380,196,632**	**1,749,158,054**	**3,189,821,407**	**8,442,481,613**

The Conditional Grants are as tabulated below

Table 4:Conditional Grants Budgeted vs Actuals 2023/2024

DESCRIPTION	**Revised Estimates 2023/2024**	**Receipt**	**Performance**
DANIDA	36,380,926	25,879,500	71%
Africities	40,000,000	0	0%
KISIP	600,000,000	300,000,000	50%
Finance Locally -Led Climate Action Plan (FLLOCA)	148,500,000	184,335,666	124%
Kenya Climate Smart Agriculture project (KCSAP)	139,274,117	0	0%
Change Maker	30,000,000	15,051,795	50%
IDA (World Bank Credit to Finance Agricultural Value Chain Development Project (NAVCDP)	250,000,000	195,112,951	78%
ASDSP II	10,698,643	500,000	5%
Aquaculture Business Development Project (ABDP)	15,407,244	0	0%
PRACTICE	28,269,703	17,747,755	63%
Conditional Grant for transfer of library services	10,494,779	0	0%
Allocation for court fines	233,000	0	0%
Conditional Grant for Aggregated Industrial parks programme	100,000,000	0	0%
Conditional Grant for provision of fertilizer subsidy programme	120,042,858	0	0%

Livestock Value Chain Support Project	14,323,680	0	0%
THS	10,699,473	0	0%
TVET	8,332,281	0	0%
IDEAS	3,898,833	0	0%
Climate Change	17,950,658	11,000,000	61%
KDSP	12,742,939	0	0%
KUSP	2,339,915	0	0%
KRB	896,372	0	0%
Common Wealth of Learning Credit Information	2,111,500	0	0%
Totals	**1,602,596,921**	**749,627,667**	**47%**

Own Source Revenue

During the reporting period, County Governments generated a total of **Kshs. 1,443,607,988** from local generated revenue, which was **63** per cent of the annual target of **Kshs. 2,282,844,694**. This included **Kshs**. **604,766,717** collected as Appropriation in Aid (AiA) against a target of **Kshs. 600,000,000.**

Table 5:Quarterly Own Source Revenue Collection 2023/2024

CONSOLIDATED REVENUE COLLECTION REPORT FOR THE FY 2023/2024					
Revenue Streams	**1st Quarter**	**2nd Quarter**	**3rd Quarter**	**4the Quarter**	**TOTAL**
Locally collected Revenue					
Land Rates	57,934,340	3,970,414	41,733,147	18,733,606.00	**122,371,507**
Rents	3,022,995	2,986,313	10,777,758	3,660,411.00	**20,447,477**
Trade license fees	12,682,029	5,155,461	113,305,892	61,757,095.00	**192,900,477**
Bus Park Fees	13,567,058	11,753,938	12,766,529	11,563,440.00	**49,650,965**
Parking Fees	6,657,541	5,298,000	9,947,150	13,030,250.00	**34,932,941**
Reserved slot	-	-	4,316,400	1,100,000.00	**5,416,400**
Monthly Stickers	3,569,803	1,824,264	3,096,960	200.00	**8,491,227**
Clamping Fees	1,000	-	17,730	41,000.00	**59,730**

Market Fees	18,904,691	12,009,049	13,796,285	14,033,910.00	**58,743,935**
Stock Ring	50,850	193,573	810,500	872,030.00	**1,926,953**
CESS	17,595,143	11,958,290	15,559,342	6,167,705.25	**51,280,480**
Building Dev. Plans	1,160,650	473,000	21,723,610	5,717,185.00	**29,074,445**
Sign Board promotion etc.	21,179,182	10,818,243	83,969,761	54,990,645.00	**170,957,831**
Livestock Movement Permit	-	-	-	7,110.00	**7,110**
Sundry revenue	-	134,625	14,960	0.00	**149,585**
Public Health and Others	1,664,870	1,637,880	3,330,392	1,977,960.00	**8,611,102**
Sub-Total	**157,990,152**	**68,213,050**	**335,166,415**	**193,652,547.25**	**755,022,164**
Revenue from Departments					
Medical Services, Public Health and Sanitation	139,367,947	129,745,401	125,082,788	210,570,581.00	**604,766,717**
Agriculture, Fisheries, Livestock Development and Irrigation	706,350	699,767	2,297,190	987,341.00	**4,690,648**
Trade, Tourism, Industry and Marketing	438,140	600,220	484,620	308,950.00	**1,831,930**
Liquor License	2,816,023	3,709,000	10,065,980	4,098,025.00	**20,689,028**
Water, Environment, Natural Resources and Climate Change	192,706	2,146,400	1,821,400	3,422,600.00	**7,583,106**
Lands, Physical Planning, Housing and Urban Development	9,630,801	7,324,030	6,064,722	972,990.00	**23,992,543**

Education, Technical Training, Innovation and Social Services	-	71,380	40,960	62,665.00	**175,005**
Sports, Culture, Gender and Youth Affairs	634,500	322,000	174,000	59,950.00	**1,190,450**
Public Service, County Administration and Participatory Development, Office of the Governor	16,413,289	5,962,510	1,047,948	242,650.00	**23,666,397**
Sub-Total	**170,199,756**	**150,580,708**	**147,079,608**	**220,725,752.00**	**688,585,824**
OVERALL	**328,189,908**	**218,793,758**	**482,246,023**	**414,378,299.25**	**1,443,607,988**

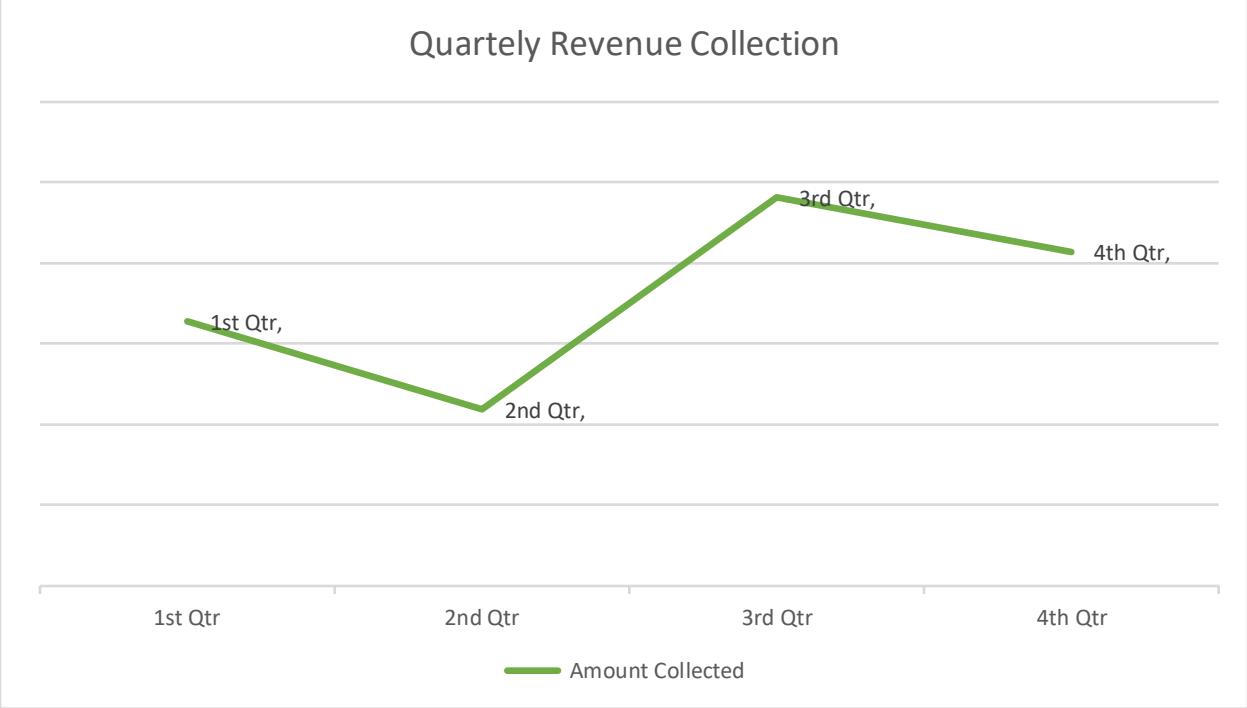


Figure 2: Quarterly Own Source Revenue Collection 2023/2024

EXPENDITURE PERFORMANCE QUARTER ONE FY2023/2024

During the period under review the County Executive's expenditure stood at **Kshs. 11,276,007,837** against an annual target of **Kshs**. **13,697,865,204** which represents 82 percent budget absorption rate.

The recurrent expenditure amounted to **Kshs 8,610,394,649** against an annual target of **Kshs 9,511,313,971** depicting a **91** percent absorption rate.

The development expenditure amounted to **Kshs 2,665,613,188** against an annual target of **Kshs 4,186,551,233** translating to **64** percent of the total development expenditure. Figure below shows Composition of County expenditure.

Table 6: Composition of County expenditure.

Expenditure Composition	Revised Budget	Actual Expenditure	Performance
Recurrent	9,511,313,971	8,610,394,649	91%
Development	4,186,551,233	2,665,613,188	64%
Totals	**13,697,865,204**	**11,276,007,837**	**82%**

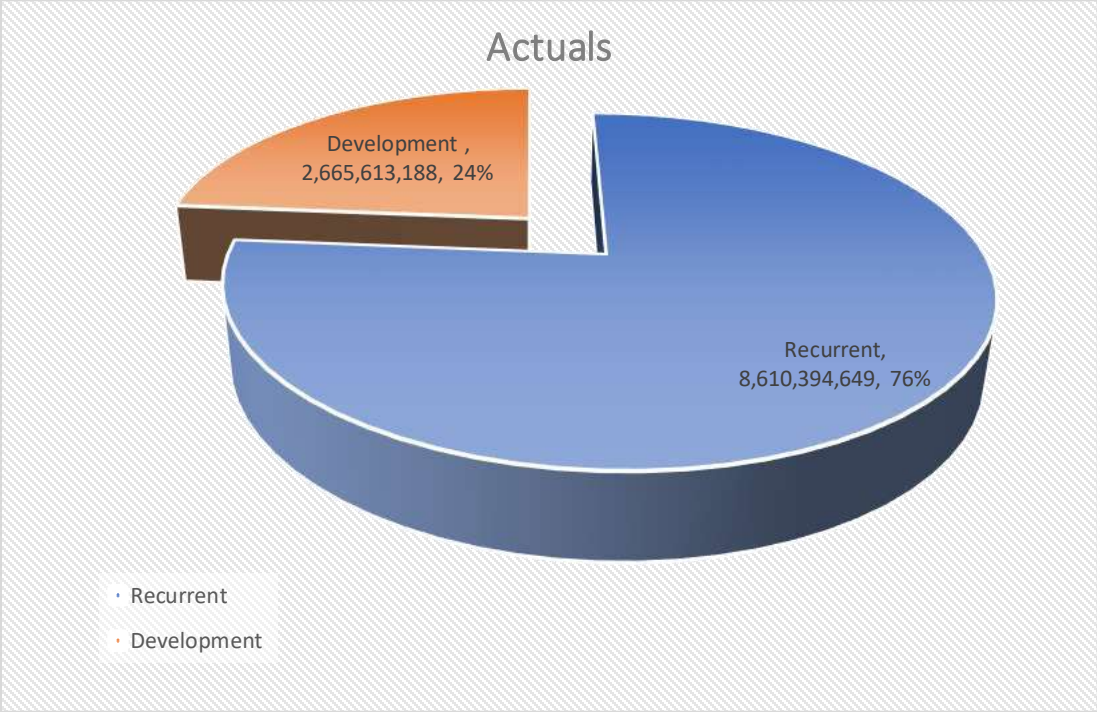


Figure 3: Composition of County expenditure.

Recurrent Expenditure

The County incurred **Kshs 8,610,394,649 as** recurrent expenditure which represents a **91** percent of the total expenditure for the year. Composition of recurrent expenditure FY 2023/2024 is represented in table below.

Table 7: Composition of recurrent expenditure FY 2023/2024

Economic Classification	**Revised Budget**	**Actual Expenditure**	**Performance**
PE	5,357,569,166	5,274,293,668	98%
O&M	4,153,744,805	3,336,100,981	80%
TOTAL	**9,511,313,971**	**8,610,394,649**	91%

Development Expenditure

The development expenditure stood at **Kshs 2,665,613,188** against an annual target of **Kshs 4,186,551,233**. This represents an absorption rate of **64** percent. Further, development expenses contributed to **24** percent of the total actual County expenditure in the FY 2023/24.

County Expenditure Performance FY 2023/2024 by Economic Classification

Table 8: County Expenditure Performance FY 2023/2024 by Economic Classification

		Revised Estimates 2023/2024	Actual Expenditure 2023/2024	Performance
2100000	Compensation Of Employees	5,357,569,166	5,274,293,668.00	98%
2200000	Use Of Goods and Services	2,882,618,843	2,069,845,807.00	72%
2600000	Grants And Other Transfers	1,781,319,432	1,481,345,334.00	83%
2700000	Social Benefits	210,961,332	177,052,775.00	84%
3100000	Acquisition Of Non-Financial Assets	3,353,932,431	2,167,038,482.00	65%
4100000	Acquisition Of Financial Assets	111,464,000	106,431,771.00	95%
		13,697,865,204	11,276,007,837.00	82%

Table 9:Expenditure per Department FY 2023/2024

Vote No	Vote Title	Recurrent Expenditure 2023/2024			Development Expenditure 2023/2024		
		Budgeted	Actual Expenditure	%	Budgeted	Actual Expenditure	Performance
5067	Lands, Physical Planning, Housing and Urban Development	165,601,229	140,964,843	85%	370,000,000	259,842,842	70%
5068	Agriculture, Livestock, Food and Fisheries	297,383,694	242,011,396	81%	496,804,276	487,335,673	98%
5072	City of Kisumu	469,416,334	452,737,093	96%	369,300,000	253,049,351	69%
5073	County Assembly of Kisumu	975,311,910	918,496,527	94%	165,000,000	735,000	0%
5075	County Public Service Board	103,258,091	91,353,399	88%	0	0	0%
5081	Education, Technical Training, Innovation & Social Service	729,421,729	693,775,286	95%	200,832,281	111,790,185	56%
5082	Infrastructure, Energy and Public Works	242,526,887	227,693,362	94%	540,300,000	278,751,046	52%
5083	Finance, Economic Planning & ICT Services	1,503,665,711	1,315,144,629	87%	1,062,142,939	957,743,992	90%
5084	Trade, Tourism, Industry and Marketing	130,848,443	110,185,640	84%	184,147,203	27,991,990	15%
5085	Medical Services, Public Health and Sanitation	3,369,413,564	3,295,389,778	98%	229,874,534	117,310,497	51%
5086	Sports, Culture, Gender and Youth Affairs	195,025,161	162,299,209	83%	22,000,000	7,995,232	36%
5087	Water, Environment, Natural Resources & Climate Change	158,376,389	121,127,262	76%	427,650,000	123,571,994	29%
5088	Public Service, County Administration& Participatory Development	1,171,064,829	839,216,225	72%	118,500,000	39,495,386	33%
	TOTALS	**9,511,313,971**	**8,610,394,649**	91%	**4,186,551,233**	**2,665,613,188**	64%

EMERGING ISSUES, CHALLENGES AND RECOMMENDATIONS

This section highlights Departments' emerging issues, challenges that hampered budget execution of financial year 2023/2024. It further gives recommendations that will be useful in the implementation of the FY 2024/2025 budget.

EMERGING ISSUES

1. **Damage to Infrastructure**: Frequent and severe weather events, such as floods (e.g., El Niño rains), have caused significant damage to roads, bridges, and other infrastructure, leading to increased maintenance costs.

2. **Development Funding Shortfalls**: Planned grants and development funding were not fully disbursed, limiting the implementation and success of various projects.

3. **Delayed Government Disbursements**: Late disbursement of funds from the National Government slowed the commencement of programs and projects, as well as the payment of pending bills.

4. **Inadequate Funding**: Limited funds hindered the recruitment and retention of human resources, and also impacted the ability to address the influx of patients from neighboring counties, especially at healthcare facilities like JOOTRH.

5. **Procurement Delays**: Delays in procurement processes further limited the timely implementation of initiatives.

6. **Municipal Staffing and Funding Issues**: Municipalities faced challenges in staffing and securing adequate funding to implement their charters effectively.

7. **Interdepartmental Overlaps**: There were overlaps in responsibilities during development control activities, leading to inefficiencies.

8. **Population Pressure**: Increased population in urban areas led to more waste generation and higher water demand, overstretching available resources.

9. **Weak Inter-departmental Synergy**: A siloed approach to service delivery complicated coordination, particularly at the Sub-County and ward levels, affecting monitoring and evaluation activities.

10. **Contract Management Issues**: Poor contract management led to contractors abandoning projects due to high costs, poor budgeting, and lack of accountability in monitoring and evaluation.

RECOMMENDATIONS

- **Enhance Infrastructure Resilience**: Invest in climate-resilient infrastructure designs that can withstand extreme weather events. This includes using durable materials, elevating roadbeds in flood-prone areas, and constructing more robust drainage systems.
- **Diversify Funding Sources**: Seek alternative funding sources such as public-private partnerships, international development loans, and community-based financing mechanisms to supplement grants.
- **Improve Fund Disbursement Procedures**: Engage with development partners to streamline disbursement processes, ensuring that funds are released on time and as planned.
- **Strengthen Financial Coordination**: Establish a dedicated liaison office to coordinate with the National Government on timely fund disbursements and to monitor the status of fund releases.
- **Prioritize Critical Staffing Needs**: Conduct a workforce analysis to prioritize critical staffing needs, ensuring that essential services, such as healthcare, are adequately staffed.
- **Advocate for Increased Budget Allocations**: Engage in advocacy and negotiations with relevant government bodies to secure higher budget allocations for human resources and essential services, emphasizing the long-term cost savings and benefits of adequate staffing.
- **Streamline Procurement Processes**: Review and streamline procurement procedures to eliminate bottlenecks, reduce paperwork, and accelerate decision-making.
- **Implement e-Procurement Systems**: Adopt e-procurement systems to automate and expedite the procurement process, improving transparency and reducing the time required for approvals.

- **Strengthen Municipal Capacity**: Invest in capacity-building programs for municipal staff, including training and development initiatives, to improve service delivery and operational efficiency.
- **Enhance Waste Management Systems**: Invest in modern waste management infrastructure and technologies, such as recycling programs and waste-to-energy plants, to handle increased waste generation.
- **Foster a Collaborative Culture**: Promote a collaborative culture by encouraging joint planning, shared goals, and cross-departmental teams to improve service delivery and project implementation.
- **Establish a Coordination Office**: Create an office or task force specifically responsible for coordinating activities across departments, particularly at the Sub-County and ward levels, to ensure alignment and efficiency.
- **Strengthen Contract Management Practices**: Implement rigorous contract management protocols, including regular performance reviews, detailed budgeting, and risk assessments, to ensure projects stay on track. Introduce stricter penalties for contractors who abandon projects and establish performance-based contracts that tie payments to the achievement of specific milestones and quality standards.

THE REPUBLIC OF KENYA

COUNTY GOVERNMENT OF KISUMU

COUNTY BUDGET REVIEW AND OUTLOOK PAPER

(CBROP)

FOR THE FINANCIAL YEAR

2022/2023

FOREWORD

As we mark the culmination of the 2nd County Integrated Development Plan (2018-2022) and review the fiscal performance of Kisumu County in the financial year 2022/2023, it is with a sense of reflection and a commitment to chart a course for the future. This paper provides a comprehensive overview of the county's fiscal journey during the past year, offering insights into the challenges faced and the strides made in achieving our development objectives. The financial year 2022/2023 brought forth both achievements and challenges for Kisumu County. As we delve into the details of this review, we find a tapestry of financial data that paints a vivid picture of our county's economic landscape.

During the fiscal year, Kisumu County received a total of KES. 10,142,864,470 in revenue, comprising Own Source Revenue, Grants, and sharable revenue, representing 84% of the revenue target set against budget revised estimates of KES. 12,045,283,582. While this figure signifies substantial financial inflow, we acknowledge that we encountered obstacles in achieving our Own Source Revenue target. Factors such as the slow enactment of the Valuation Roll, inter-departmental coordination challenges, and the effects of the August Elections played a role in this outcome. Similarly, on the expenditure front, our total expenditure by the end of June 2023 amounted to KES. 9,304,926,301, with Recurrent expenditure at KES. 6,948,631,105 and Development expenditure at KES. 2,356,295,196. However, we must address the issue of our county's absorption rate, which stood at 77%, falling short of the desired level. Notably, the development absorption rate, at 65%, remains a significant concern.

Accordingly, throughout the fiscal year, Kisumu County faced a set of challenges, including cash flow constraints, a high wage bill, low own source revenue collection, staff capacity gaps, and the impacts of the 2022 General Election. Consequently, as we look to the future, our Medium-Term Expenditure Framework (MTEF) outlines key reforms that will guide us toward a more financially resilient and efficient county government. These reforms encompass revenue mobilization, expenditure rationalization, expenditure efficiency, and effective budget program implementation. We are committed to enhancing revenue mobilization through institutionalization of e-revenue, expediting the County Property Valuation Roll, and deploying resources to enhance revenue collection and enforcement. Expenditure rationalization efforts will involve preparing realistic budgets, timely procurement, and ensuring value for money. Efficiency in expenditure execution will be pursued through various measures, including the deployment of technology, personnel

training, and adherence to accounting standards. Moreover, we are dedicated to investing in key areas such as healthcare, early childhood development, food production, market access infrastructure, and social safety nets. These investments aim to foster economic growth, improve living standards, and ensure a more prosperous Kisumu County.

In conclusion, this Budget Review Outlook paper signifies our commitment to transparency, accountability, and progress. It is a testament to the dedication of Kisumu County Government in advancing its development agenda and improving the well-being of its residents. As we navigate the path ahead, we do so with a resolute spirit, eager to overcome challenges and embrace opportunities that will shape the future of our county.

GEORGE OMONDI OKONG'O

CECM-FINANCE, ECONOMIC PLANNING & ICT SERVICES

ACKNOWLEDGEMENT

The Kisumu County Budget Review and Outlook Paper 2022/2023 marking the culmination of the successful implementation of its 2nd County Integrated Development Plan (2018-2022) is a result of contribution and concerted efforts of all the members of staff of the County Government. The policy document is prepared in line with the provisions of Article 220(2) of the Constitution of Kenya, 2010 and Article 126(1) of the Public Financial Management Act, 2012.

First, I acknowledge the invaluable leadership and support of H.E the Governor and The Deputy Governor. I extend my appreciation the CECM for Finance, Economic Planning and ICT Services, the Chief Officers of various County departments, the Director of Economic Planning and Budgeting, the Director of Public Participation, and the entire Economic Planning and Budgeting team for their invaluable support and collaboration throughout this process. Your dedication and commitment to sound economic planning have been instrumental in achieving the developmental goals set forth in the County budget. This collaborative effort underscores the importance of effective public-private partnerships in advancing the prosperity and well-being of Kisumu County's residents.

PAUL NJENGA

CHIEF OFFICER FINANCE, ECONOMIC PLANNING & ICT SERVICES

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ABBREVIATIONS AND ACRONYMS

CBK	Central Bank of Kenya
CBR	Central Bank Rate
CBROP	County Budget Review and Outlook Paper
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CIT	Communication Information Technology
COB	Controller of Budget
CRA	Commission on Revenue Allocation
CRF	County Revenue Fund
DANIDA	Danish International Development Agency
ERS	Economic Recovery Strategy
GDP	Gross Domestic Product
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
KDSP	Kenya Devolution Support Program
MTEF	Medium Term Expenditure Framework
MTP	Medium-Term Plan
NHIF	National Hospital Insurance Fund
PBB	Program Based Budget
PFM	Public Finance Management
PPADA	Public Procurement & Asset Disposal Act
RRI	Rapid Results Initiative
TIVET	Technical and Vocational Educational Training
TTC	Teachers' Training Colleges
WDF	Ward Development Fund
UHC	Universal Health Coverage
SDU	Service Delivery Unit
KUSP	Kenya Urban Support Program

KISIP	Kenya Informal Settlement Improvement Project
KICOMI	Kisumu Cotton Millers
SEZ	Special Economic Zone

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CHAPTER ONE

1.1 Background

The County Budget Review and Outlook Paper (CBROP) is prepared according to the provisions of Section 118 of the Public Finance Management Act (PFMA), 2012. The provisions state that:

a) A County Treasury shall—

i. Prepare a County Budget Review and Outlook Paper in respect of the County for each financial year; and

ii. Submit the paper to the County Executive Committee by the 30th September of that year.

b) In preparing its County Budget Review and Outlook Paper, the County Treasury shall specify—

i. The details of the actual fiscal performance in the previous year, compared with the budget appropriation for that year;

ii. The updated economic and financial forecasts with sufficient information, to show changes from the forecasts in the most recent County Fiscal Strategy Paper;

iii. Information on— Any changes in the forecasts compared with the County Fiscal Strategy Paper; or how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the County Fiscal Strategy Paper for that financial year; and

c) The County Executive Committee shall consider the County Budget Review and Outlook Paper, to approve it, with or without amendments, within fourteen days after its submission.

d) Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall

i. Arrange for the Paper to be laid before the County Assembly; and

ii. As soon as practicable after having done so, publish and publicize the Paper.

1.2 The Objective of 2023 CBROP

The 2023 County Budget Review and Outlook Paper (CBROP) provides a review of fiscal performance for the FY 2022/2023 and how this performance impacts on the financial

objectives and fiscal responsibility principles set out in the 2022 County Fiscal Strategy Paper (CFSP). The CBROP provides;

a) Evaluation of county's past financial performance and estimated expenditure against the actual expenditure for FY 2022/2023 compared to its budget expectations.
b) Insights and recommendations of 2022 CFSP policy shifts and implication for future financial policy and budget decisions aligning them with county's priorities and goals.
c) Information on any changes in forecasts and as needed to improve efficiency and effectiveness, compared with the CFSP 2022.
d) Projections and long-term financial planning by forecasting for FY 2024/2025
e) Indicative sector ceilings for preparation of the FY 2024/2025 budget and the MTEF period, guided by the PFM Act, 2012 and ADP 2024/2025.

1.3 The Structure

The paper is further organized into four Chapters:

Chapter II- Provides an overview of the fiscal performance during FY 2022/2023 and is subdivided into three sections; An introduction, an analysis of fiscal performance, and a discussion of implications arising from this fiscal performance.

Chapter III- This section provides insights into recent economic developments, spanning both the national and county levels. It is divided into three distinct sections; recent economic trends, the macroeconomic perspective, and county-specific perspective.

Chapter IV- Contains the framework for resource allocation. Within this chapter, we delve into several aspects, including modifications to the budget from the prior year, Medium-Term Expenditure Framework (MTEF), revenue forecasts, and expenditure projections for FY 2024/2025.

Chapter V- This section encompasses both the conclusion and additional details pertaining to the projects executed during the financial year 2022/2023.

CHAPTER TWO

2.1 REVIEW OF COUNTY FISCAL PERFORMANCE IN 2022/2023

OVERVIEW

The fiscal performance for the FY 2022/ 23 budget was generally not satisfactory, with shortfall in revenues and growing expenditure pressures. The total County revenue received included Own Source Revenue, Grants and sharable revenue amounting to KES. **10,142,864,470** or 84% of revenue target against budget revised estimates of KES. **12,045,283,582**. The unmet Own Source Revenue target was attributed to a number of factors among them slow enactment especially the Valuation Roll which would have guided the collection of land rates, unpredicted inter-departmental coordination, Effects of August Elections and transition period.

Total expenditure by end of June 2023 was KES**.9,304,926,301.** The Recurrent expenditure was KES. **6,948,631,105** and the Development expenditure was KES. **2,356,295,196** Overall, the county absorption rate at **77%** was not satisfactory with recurrent and development absorption rates being **82%** and **66%** respectively. The low development absorption rate has remained a big concern to the county government. Bureaucracies in the designs, procurement and financial processes and legal requirements have largely contributed to low absorption of capital expenditure

2.1.1 Revenue Outturn

During the year 2022/2023 the County received Kshs.**8,989,400,165** as disbursements from National treasury consisting of Equitable Share of Ksh.**8,015,575,921** and Grants amounting to Kshs**.321,169,783,** and an opening balance of **652,654,461** However, it should be noted that during the year under review, the County Assembly of Kisumu received Kshs. **869,794,309** consisting of Kshs. **741,474,220** on Recurrent and Kshs. **128,320,089** on Development. Revenue generated from own source collection was **Kshs.1,153,464,305** against a target of Kshs. **2,118,837,525**. This resulted in a negative variance of Kshs.**1,129,380,389** (49%) of the annual local revenue target.

Table 1 a: National Revenue

	A	B	B-A	Performance
	2022/2023	Actual Receipts	Budget Balance	
Opening Balance	652,654,461	652,654,461	-	100.0%
Equitable share	8,026,139,240	8,015,575,921	(10,563,319)	99.9%
DANIDA	29,565,000	21,991,500	(7,573,500)	74.4%
KISIP	500,000,000	200,000,000	(300,000,000)	40.0%

Transforming Health	61,190,702	-	(61,190,702)	0.0%
ASDSP	34,629,346	4,830,936	(29,798,410)	14.0%
KCSAP	344,635,160	70,007,432	(274,627,728)	20.3%
EU IDEAS	24,604,061	-	(24,604,061)	0.0%
Finance Locally - Led Climate Action Plan (FLLOCA)	22,000,000	22,000,000	-	100.0%
SEACAP	10,000,000	-	(10,000,000)	0.0%
EU Water Tower	3,524,998	-	(3,524,998)	0.0%
AFRICITIES	40,000,000	-	(40,000,000)	0.0%
UNICEF	499,000	-	(499,000)	0.0%
KUSP	2,919,156	2,339,915	(579,241)	80.2%
Road Maintenance Fuel Levy	93,997,196	-	(93,997,196)	0.0%
KDSP	**64,134,545**	**-**	**(64,134,545)**	**0.0%**
TVET	15,953,192	-	(15,953,192)	0.0%
Total Share of National Revenue	**9,926,446,057**	**8,989,400,165**	**(937,045,892)**	**91%**

Table 1 b: County Own Source Revenue

Revenue Streams	**A**	**B**	**B-A**	**Funding Level**
	Budget Estimate	**Actual Collection**	**Difference**	**%**
	(Kshs.)	**(Kshs.)**	**(Kshs.)**	
Land Rates	278,083,466	149,897,898	**(128,185,568)**	**54%**
Rents	63,844,894	20,039,683	**(43,805,211)**	**31%**
Trade license fees	253,953,452	164,156,629	**(89,796,823)**	**65%**
Bus Park Fees	164,844,132	51,504,963	**(113,339,169)**	**31%**
Parking Fees	109,953,404	21,416,191	**(88,537,213)**	**19%**
Reserved slot	19,379,747	5,851,300	**(13,528,447)**	**30%**
Monthly Stickers	46,251,150	20,645,100	**(25,606,050)**	**45%**
Clamping Fees	384,038	27,500	**(356,538)**	**7%**
Market Fees	143,026,826	48,956,664	**(94,070,162)**	**34%**
Stock Ring	5,079,726	2,681,910	**(2,397,816)**	**53%**
CESS	27,139,013	14,036,005	**(13,103,008)**	**52%**
Building Plans	31,598,866	907,250	**(30,691,616)**	**3%**
Sign Board promotion etc	179,590,717	148,608,083	**(30,982,634)**	**83%**
Sundry revenue	12,678,750	26,764,620	**14,085,870**	**211%**

Public Health and Others	3,150,278	4,810,842	**1,660,564**	**153%**
Sub-Total	**1,338,958,459**	**680,304,638**	**(658,653,821)**	**51%**
Revenue from Departments				
Health Medical Services	600,000,000	422,015,272	**(177,984,728)**	**70%**
Agriculture, Livestock and Fisheries	8,220,606	3,711,768	**(4,508,838)**	**45%**
Commerce,Tourism, Trade and Heritage	1,452,466	1,782,940	**330,474**	**123%**
Lands, Housing and Physical Planning	119,944,340	30,935,996	**(89,008,344)**	**26%**
Education,Youth,Culture and Sports	6,502,391	763,900	**(5,738,491)**	**12%**
Liquor Licence	38,453,328	13,363,790	**(25,089,538)**	**35%**
Energy & Mining	3,144,309	586,001	**(2,558,308)**	**19%**
Governance and Administration	2,161,626	-	**(2,161,626)**	**0%**
Sub-Total	**779,879,066**	**473,159,667**	**(306,719,399)**	**61%**
Total	**2,118,837,525**	**1,153,464,305**	**(965,373,220)**	**54%**

Challenges which faced collection of Own Source Revenue

- Restructuring of Central Business District (CBD) which killed some parking slots e.g Oginga Odinga Streets.
- Hard Economic Situations which was not favorable for small scale business thus closure of several business.
- Court cases on valuation roll hence members/rates papers were restricted in payment.
- Electioneering periods leading to closure of business as a result of political campaigns.

Expenditure Outturn

Table 2a below shows a total Recurrent expenditure of **Kshs. 6,948,631,105** against a target of **Kshs 8,483,121,804** representing an absorption rate of 88%.

Table 2 a: Recurrent

S/No.	**Department**	**Revised budget (Kshs)**	**Actual B Expenditure (Kshs.)**	**Performance**
		A		**B/A (%)**
1.	Agriculture, Irrigation, Livestock and Fisheries.	202,777,165	167,294,065	83%
2.	County Assembly of Kisumu	783,886,220	741,474,220	95%

3.	City of Kisumu	458,411,574	285,536,959	62%
4.	Roads, Transport and Public Works	200,963,891	143,373,424	71%
5.	Kisumu County Public Service Board	88,833,775	50,079,647	56%
6.	Education, Human Resource Development and ICT	601,084,306	575,532,576	96%
7.	Office of the Governor	299,829,608	225,303,412	75%
8.	Health Services	3,394,875,464	2,833,986,689	83%
9.	Public Service Administration & Devolution	430,491,737	416,453,802	97%
10.	Tourism, Culture, Arts and Sports.	84,595,082	47,374,521	56%
11.	Lands, Housing and Physical Planning	149,169,597	82,692,415	55%
12.	Trade, Energy and Industry	102,669,819	93,364,460	91%
13.	Finance and Economic Planning	1,573,896,941	1,208,498,798	77%
14	Water, Environment and Natural Resources	111,636,625	77,666,117	70%
	TOTAL	**8,483,121,804**	**6,948,631,105**	**82%**

Development Expenditure

The table 2b below shows that a total expenditure of Ksh **2,356,295,196** was incurred on development against a target of Kshs. **3,562,161,778** translating to an absorption rate of 65%.

Table 2 b: Development Expenditure

S/No.	**Department**	**Revised budget (Kshs)**	**Actual B Expenditure (Kshs.)**	**Performance**
		A		**B/A (%)**

1.	Agriculture, Irrigation, Livestock and Fisheries.	285,754,664	258,474,152	90%
2.	County Assembly of Kisumu	150,000,000	128,320,089	86%
3.	City of Kisumu	118,288,564	73,701,790	62%
4.	Roads, Transport and Public Works	303,655,456	216,107,156	71%
5.	Kisumu County Public Service Board	0	0	0%
6.	Education, Human Resource Development and ICT	124,203,086	64,550,000	52%
7.	Office of the Governor	45,000,000	25,000,000	56%
8.	Health Services	180,100,000	65,000,000	36%
9.	Public Service Administration & Devolution	20,000,000	0	0%
10.	Tourism, Culture, Arts and Sports.	59,000,000	18,000,000	31%
11.	Lands, Housing and Physical Planning	514,000,000	200,000,000	39%
12.	Trade, Energy and Industry	117,004,061	20,384,502	17%
13.	Finance and Economic Planning	1,552,855,947	1,260,391,889	81%
14	Water, Environment and Natural Resources	92,300,000	26,365,618	29%
	TOTAL	**3,562,161,778**	**2,356,295,196**	**66%**

2.1.3 Fiscal Outturn

The table below presents the fiscal outturn for the 2022/2023 financial year. The actual fiscal performance for the FY 2022/2023 is compared by way of deviations to the revised budget estimates for the financial year in question.

Table 3 a: Fiscal Outturn

REVENUE	**Revised Budget (Kshs)**	**Actual (Kshs)**	**Deviation (Kshs.)**

	(A)	(B)	(A-B=C)
Opening Balance to CRF A/C	652,654,461	652,654,461	-
Total Share of National Revenue	9,273,791,596	8,336,745,704	(937,045,892)
Gross Locally Collected Revenue	2,118,837,525	1,153,464,305	(965,373,220)
Total Revenue	**12,045,283,582**	**10,142,864,470**	**(1,902,419,112)**
Expenditure			
Recurrent	8,483,121,804	6,948,631,105	(1,534,490,699)
Development	3,562,161,778	2,356,295,196	(1,205,866,582)
Total Expenditure	**12,045,283,582**	**9,304,926,301**	**(2,740,357,281)**

The FY 2022/23 financing as analyzed above shows a performance in revised revenue target of Kshs. **12,045,283,582** against the actual expenditure of Kshs. **9,304,926,301.**
Similarly, as shown on the tables of the Revenue Outturn against Expenditure Outturn, the huge difference was contributed by late disbursement of funds by the National Government leading to reduced service delivery and or under absorption as demonstrated in the analysis tables.

2.2 IMPLICATIONS OF 2022/2023 FISCAL PERFORMANCE ON FISCAL RESPONSIBILITY PRINCIPLES AND FINANCIAL OBJECTIVES CONTAINED IN THE 2022 COUNTY FISCAL STRATEGY PAPER

A. The following principles shall guide the County Government in all aspects of public finance--

(a) there shall be openness and accountability, including public participation in financial matters;
(b) the public finance system shall promote an equitable society, and in particular

(i)The burden of taxation shall be shared fairly;
(ii) Revenue raised nationally shall be shared equitably among national and county governments; and
(iii) Expenditure shall promote the equitable development of the country, including by making special provision for marginalized groups and areas;

(c) The burdens and benefits of the use of resources and public borrowing shall be shared equitably between present and future generations;
(d) Public money shall be used in a prudent and responsible way; and
(e) Financial management shall be responsible, and fiscal reporting shall be clear.

B. **Fiscal Performance for the FY 2022/23 in Relation to Financial Objectives**

The fiscal performance in the FY 2022/22 is broadly in line with the financial objectives outlined in the PFM Act, 2012 and the 2022 CFSP.

i. The performance of Own Source Revenue was below the Supplementary I target resulting to a deficit of Kshs. **965,373,220**. Despite this shortfall in OSR, the overall Own Source revenue projections will be retained at the levels outlined in the 2023 CFSP, this is because of the strategies laid which will ensure revenue targets are met i.e. strengthening revenue administration aimed at expanding the tax base, improving compliance and Operationalization of The Kisumu County Revenue Board. Any adjustments to the revenue targets will be only to reflect movements in the macroeconomic indicators should these change.

ii. The under-spending in both recurrent and development budget for the FY 2022/23 can be explained in part by low absorption of externally funded projects and low collection of Own Source Revenue. The County Government will put in place appropriate measures to improve absorption of resources from development partners and explore alternative strategies to ensure revenue targets are met to ensure the budget is fully funded.

iii. The baseline ceilings for spending will be adjusted in line with the revised resource envelope under the updated macroeconomic framework in the 2023 County Fiscal Strategy Paper. In addition, the revisions will consider the performance in project execution in the FY 2023/24 budget by Departments and any identified one-off expenditures.

C. Fiscal Responsibility Principles

In line with the Constitution, the PFM Act, 2012, the PFM Regulations, and in keeping in line with prudent and transparent management of public resources, the Government has largely adhered to the fiscal responsibility principles as set out in the statute as follows:

i. The County Government's allocation to development expenditures has been above 30 percent of total expenditures. In the FY 2022/23, the allocation to development in the budget was 33 percent of the total expenditures meeting the set threshold.

ii. The County Government's share of wages and benefits to employees was 40 percent in the FY 2022/23 which is above the statutory requirement of 35 percent of the County Government's equitable share of the revenue plus other revenues generated by the County Government.

iii. To manage fiscal risks prudently as required, the County Government has improved its macroeconomic forecasts and regularly reviews the impact of macroeconomic projections and their implications on the budget. Potential fiscal risks arising from contingent liabilities, including from Public Private Partnership projects among others are considered and a contingency provision made to cushion from unforeseeable shocks.

2.3 General Challenges affecting budget/fiscal performance fy 2022/2023

- Cash flow challenges
- High wage bill
- Low own source revenue collection
- Staff capacity gaps
- Effects of 2022 General Election

CHAPTER THREE

3.1 RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

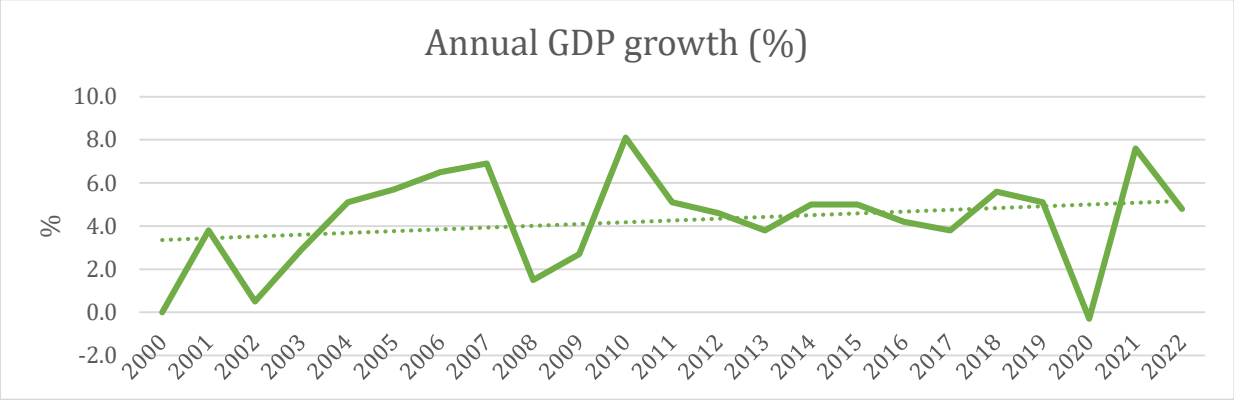
3.1.1 Recent Economic Development

Real Sector Developments

The real GDP grew by 4.8% in 2022, down from the previously reported 7.6% growth in 2021. All sectors of the economy experienced growth, but the service sector saw particularly strong growth. Similarly, on the growth of sectors, the agricultural, forestry, and fishing industries shrank by 1.6% in 2022, higher than the 0.4% decline seen in 2021. This was because of the persistent drought that continued throughout that time. The financial and insurance industries contributed 12.8%, while the information and communication industries contributed 9.9%, and the transportation and storage industries contributed 5.6%. In 2022, nominal GDP was KSh 13,368.3 billion, up from KSh 12,027.7 billion the previous year. Moreover, although agricultural output decreased significantly in 2022, it still contributed to around 21.2% of the total GDP in 2022. Likewise, the industrial sector contributed 17.7% to GDP and the service sector contributed 61.1%.

Accordingly, over 75% of GDP was spent on private final consumption in 2022, up from KSh 8,970.8 billion in 2021. Similarly, total government spending increased by 12.3% in 2022, totaling KSh 1,640.5 billion. The country's GDP grew from KSh 11,823.5 bn in 2021 to KSh 13,163.2 bn in 2022. In 2022, GNDI was KSh 13,932.0 billion, an increase of 11.5% from 2021. Compared to 2021, when GDP per capita was KSh 237,861, by 2022 it had increased to KSh 260,024.

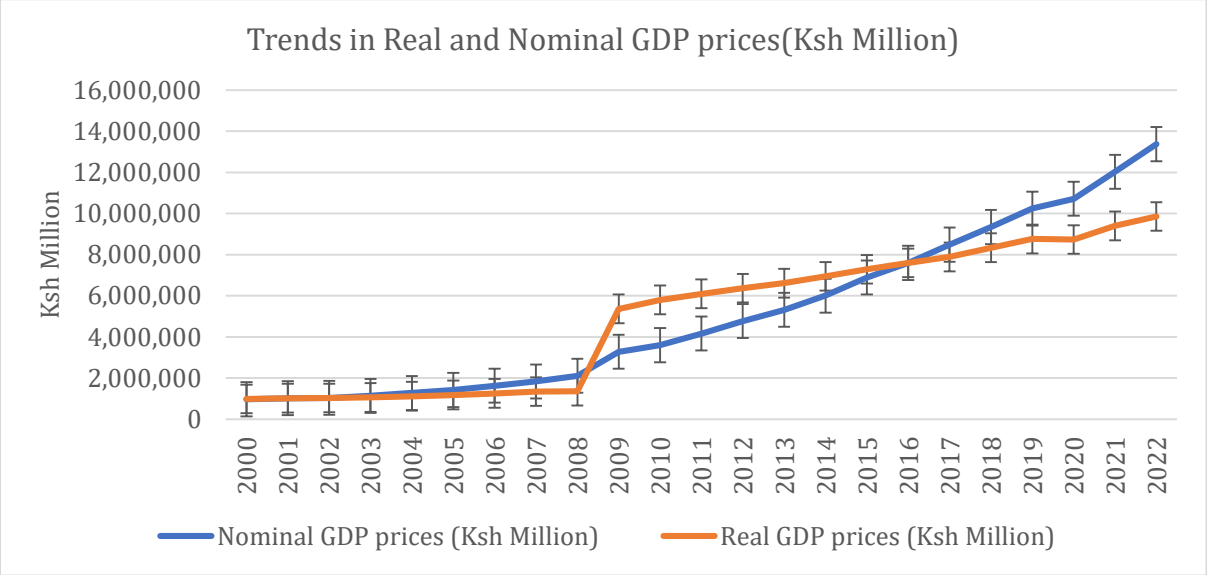
Figure 1: Trends in Kenya's Economic Growth Rates, Percent



Source: KNBS

The figure 1 shows the economic growth trend between 2000 to 2022, the growth has been shaky however averaging above 5% for the last 20 years.

Figure 2: Trends in Real and Nominal GDP prices (Ksh Million)



Source: KNBS

3.1.2 Quarterly GDP growth of 2022

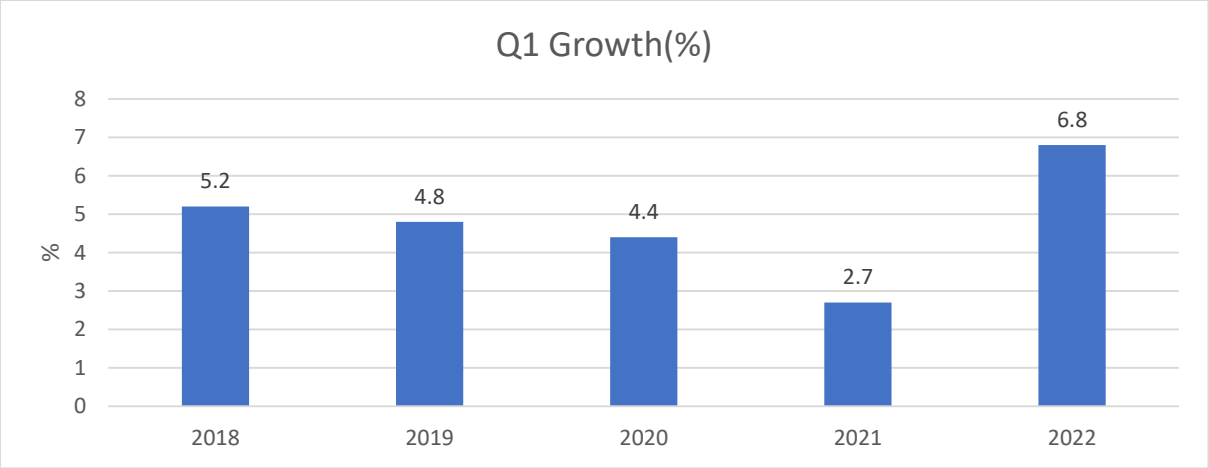
The 1st quarter saw growth in economy compared to the same period in 2021. A 6.8 percentage point growth was realized in GDP growth from Q1 2021, when growth was only 2.7%. Most economic activity that shrank severely in Q1 2021 as a result of COVID-19 policies bounced back, contributing to the performance. Services such as transportation and storage (8.1%), lodging and catering (56.2%), office assistance (15%), and miscellaneous services (11.1%) were all recouped. The growth was aided by the speedier expansion of the following industries:

manufacturing; wholesale and retail; finance and insurance; building and real estate; and information and communication.

The 2nd quarter had economic growth of 5.2%, slower than the 11.0% seen in the previous quarter of 2021. Financial services, insurance, logistics, retail, and wholesale trade, as well as the construction industry, all contributed significantly to the increase. The mining and quarrying sector, the lodging and food service sector, and the professional, administrative, and support services sector all saw double-digit increase during the quarter. However, bad weather conditions led to a 2.1% drop in agricultural, forestry, and fishing output, which reduced overall economic development.

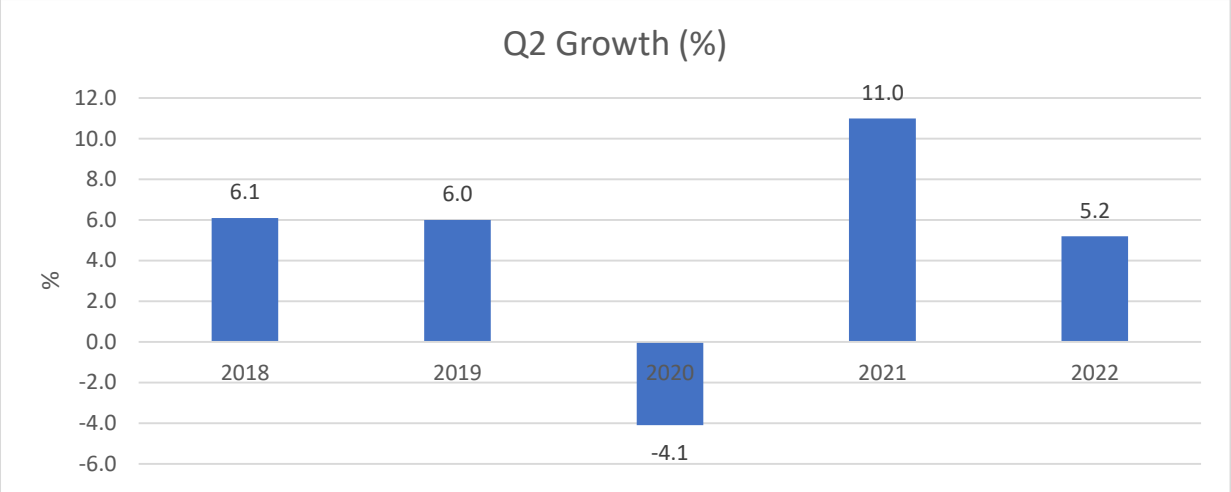
In the third quarter, real GDP grew by 4.7% compared to 9.3% in same quarter in 2021. The third quarter of 2021 saw high growth rates, indicating a rebound from the COVID-19 pandemic, but most industries saw a slowdown. Economic growth was driven by Accommodation and Food Service Activities (22.9%), Wholesale and Retail Trade (9.1%), Professional, Administrative, and Support Services (8.7%), Education (7.1%), Other services (6.9%), and Financial and Insurance Activities (5.3%). To stop growth, Agriculture, Forestry, Fishing, and Mining and Quarrying fell 0.6% and 2.2%, respectively.

Figure 3: First Quarter GDP Growth Rates (%), 2018-2022



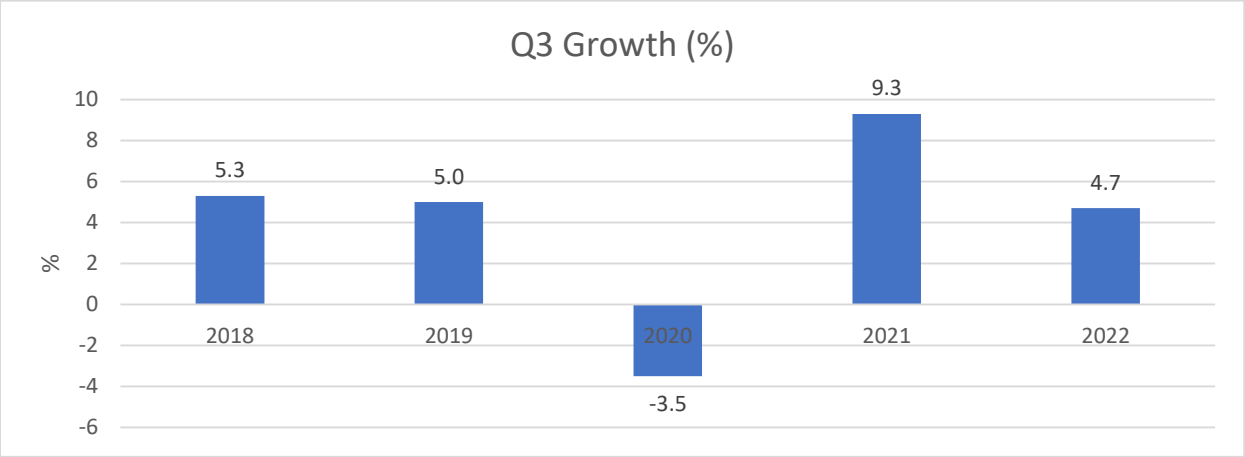
Source: KNBS

Figure 4: Second Quarter GDP Growth Rates (%), 2018-2022



Source: KNBS

Figure 5: Third Quarter GDP Growth Rates (%), 2018-2022

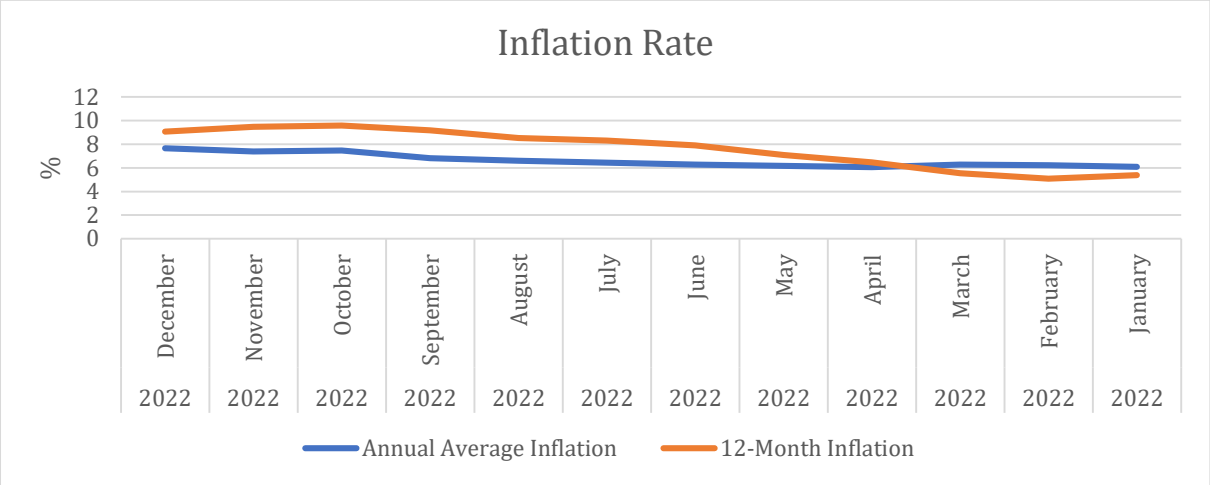


Source: KNBS

3.1.3 INFLATION RATE

Since the end of 2017, the total inflation rate has been low, consistent, and within the government's goal range of 5+/-2.5 percent, a sign of responsible monetary policy. Annual inflation rate as measured by the Consumer Price Index increased from 6.1 per cent in 2021 to 7.7per cent in 2022. The increase was mainly attributable to high cost of food and non-alcoholic beverages; transport; and housing, water, electricity, gas and other fuels.

Figure 6: Annual Inflation Rate



Source: Central Bank of Kenya

3.1.4 KENYA SHILLING EXCHANGE RATE

During the period under review, the Kenya shillings weakened against major currencies. Specifically, the Kenya Shilling to the dollar exchanged averagely at a rate of Ksh 117.865 in 2022.

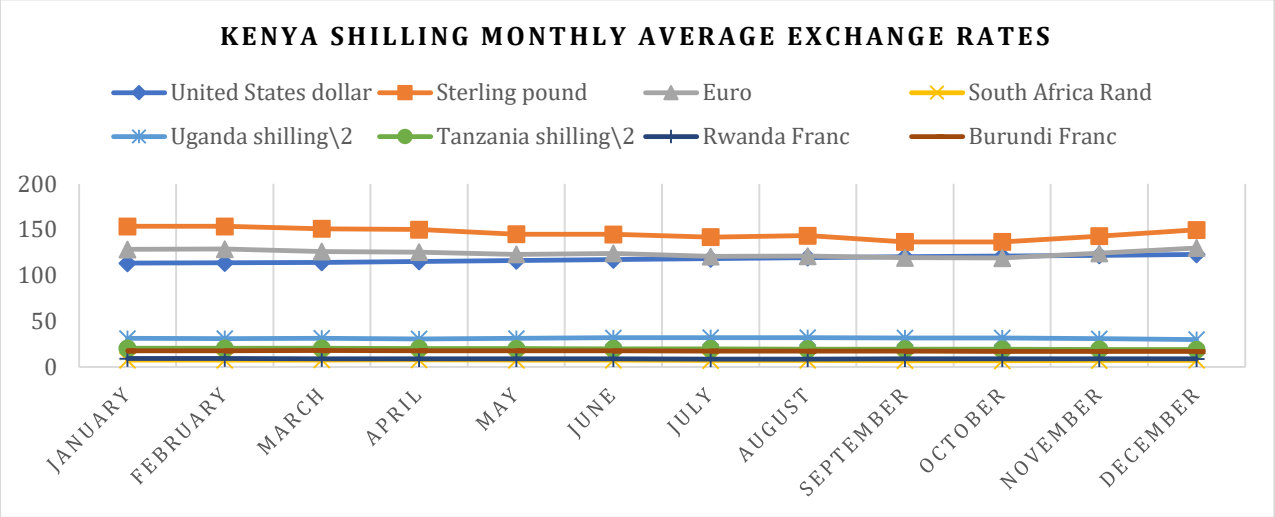
Notably, the shillings always weakened against east African currencies.

Table 4 a: Kenya Shilling End Period Exchange Rates in 2022

Month	United States dollar	Sterling pound	Euro	South Africa Rand	Uganda shilling\2	Tanzania shilling\2	Rwanda Franc	Burundi Franc
January	113.38	153.59	128.42	7.31	31.13	20.33	9.15	17.61
February	113.66	153.71	128.79	7.45	30.92	20.35	9.11	17.59
March	114.32	151	126.21	7.61	31.39	20.27	8.91	17.79
April	115.4	150.09	125.52	7.73	30.68	20.13	8.83	17.78
May	116.28	145.08	122.96	7.34	31.24	20	8.78	17.66
June	117.29	144.83	124.14	7.44	31.91	19.87	8.72	17.54
July	118.32	141.85	120.72	7.03	32.04	19.71	8.68	17.4
August	119.45	143.46	121.03	7.16	32.08	19.52	8.64	17.26
September	120.42	136.66	119.31	6.87	31.76	19.36	8.69	17.15
October	121.03	136.6	119.03	6.69	31.61	19.27	8.8	17.08
November	121.9	142.97	124.17	6.96	30.85	19.13	8.79	16.97
December	122.93	149.8	130	7.12	30.01	18.98	8.73	16.85

Source: Central Bank of Kenya

Figure 7: Kenya Shilling End Period Exchange Rates



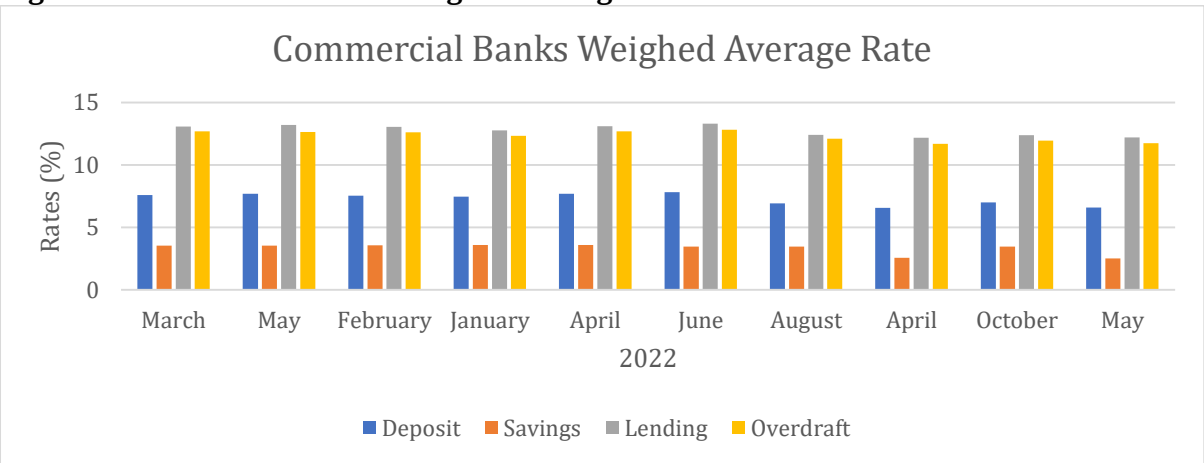
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Source: Central Bank of Kenya

3.1.5 INTEREST RATES

Interest rates on short terms remained comparatively low and consistent. The Central Bank Rate was kept at 7.8 percent in 2022, to signify lower lending rates and encourage borrowers' access to credit, particularly to Small and Medium Enterprises (SMEs).

Figure 8: Commercial banks weighed average rate



Source: Central Bank of Kenya

3.2 COUNTY SPECIFIC OUTLOOK

3.2.1 COUNTY ADMINISTRATION AND PARTICIPATORY DEVELOPMENT, OFFICE OF THE GOVERNOR

Budget Review FY 2022/2023

In the financial year under review, the sector programs included:

i. Access to information and brand visibility
ii. Human resource development
iii. Disaster risk management
iv. Special delivery unit
v. Investment opportunities and resource mobilization
vi. County Attorney
vii. County inspectorate
viii. County protocol

In the FY 2022/2023, the Department of Public Service, County Administration and Participatory Development, Office of The Governor was allocated KSh. 730, 321, 345 in the beginning of the financial period. During the year, a supplementary variance of (Ksh.14,000,000) was passed by the County Assembly essentially capping the sector's operating budget to KSh. 744,321,345. Consequently, utilization of the above allocation was Ksh. 564,253,444.50 representing an absorption of rate of 75.81%.

During the period under review the Sector achieved its sole objective of ensuring efficient and effectivities service delivery to residence of Kisumu county through provision of strategic leadership, policy direction and setting the agenda for achieving social, economic and political development needs.

3.2.2 PUBLIC SERVICE BOARD

The performance was based on its strategic plan 2020-2024 that it has endeavored to deliver on.

The County Public Service Board has the responsibility of ensuring that the County Public Service has adequate, skilled and competent personnel. Therefore, the budgeting process for the Board focuses on programmes that support the acquisition and maintenance skilled and competent personnel for Kisumu County.

During the year under review, FY 2022/2023, the Board utilized the budget as below:

Item	Target Expenditure	Actual Expenditure	Deviation	% Deviation
Personnel Emoluments & Social Benefits	50,013,986	45,709,993	4,303,993	8.61%
Operations & Maintenance	38,819,789	30,542,391	8,277,398	21.32%

Total Approved Budget	**88,833,775**	**76,252,384**	**12,581,391**	**14.16%**

The Board through its Recruitment Selection & Capacity Development Committee recruited 99 staff to fill vacant positions in the County Public Service, following requests from various county departments.

The Board through its Human Resource Audit & Performance Management Committee promoted 964 County staff to higher job groups. The Board also reviewed the employment terms of 70 officers and changed from 3 year contracts, to permanent & pensionable terms, while another 305 officers had their contracts renewed. Another 57 County staff were re-designated to relevant job positions. The Board also conducted appraisals for its secretariat. These were aimed at improving service delivery by reviewing performance, encouraging staff retention, having highly motivated and adequate staff.

The Board was also able to comply with the requirements of preparing and submitting regular reports on promotion of National Values and principles, as the Annual Report for the County Public Service Board the year 2022 was completed and shared with the County Assembly.

The Discipline, Ethics & Governance Committee that is tasked with handling disciplinary issues also reviewed and concluded various cases, while still deliberating on others.

In line with its strategic objective of promoting operational efficiency of the board, the Board procured goods and services necessary for its office operations such as communication equipment and services, office furniture, fuel and lubricants, general office supplies and other utilities during the year under review. The budget provision also enabled the Board members and staff to participate in various trainings, seminars and conferences relevant to their areas of specialization, for capacity building and continuous professional development.

However, critical and strategic activities such as Human Resources Audit for the entire county, policy development, acquisition of a Human Resources and Information Management Systems Software and the construction of a modern office complex with adequate space for staff have not been done due to budget limitations.

The Board is optimistic that in the FY 2024/2025, they will be adequately funded for their recurrent and development programs. It intends to conduct a comprehensive human resources audit, which will inform other initiatives aimed at improving the capacity of staff, motivating

the staff through relevant re-designations and promotions, and as a result enhancing service delivery to the citizens of Kisumu County. The staff capacity development needs identified from the exercise will also require financing in the FY 2024/2025.

The board also expects adequate funds for policy development and review to fill the policy gaps currently existing. Some of the policies that are due for review include the Human Resource and Policy Manual and the Discipline Procedure Manual. Others policies and guidelines to be developed include a Recruitment and Selection Policy and Procedure manual, Customer Service Charter for the Board, Occupational Safety and Health Policy, networking and partnership engagement guidelines, County Anticorruption policy, Records Management policy, communication strategy for the Board, Casuals, Interns and Volunteers' Management policy and ICT policy. These policy documents/guidelines will also need funding in order to be published and county staff sensitized on their content.

Besides policy development, the board intends to conduct Ethics risk assessment, continuously monitor and evaluate compliance with National Values and Principles as referred to in Articles 10 and 232, both which entail holding a County Integrity Conference and routine sensitization meetings on compliance with the said articles.

There is also need for the Board to be allocated funds for constructing a modern office complex to house the staff, as well as funds for equipping the office with modern communication equipment and other amenities, funds for information and communication supplies and services, security and other utilities necessary for office operations.

The Board also requires adequate budget allocation for purchasing a motor vehicle, since one of the three available for use has depreciated to an extent that it requires frequent repairs and maintenance, making the cost of repairing and maintaining it very high.

In order to enhance use of ICT, which is a strategic objective of the Board, there is need for allocation of adequate funds to the board for procuring and commissioning a robust Human Resources Management & Information System and the supporting hardware to enhance reporting on human resources, recruitment of staff and generally help in the County Public Service management.

The board will need funding for recruiting competent individuals to meet the staffing needs of various departments of the county; this is a critical and continuous exercise in line with the

Board's key mandate of ensuring that the County Public Service has adequate, skilled and competent personnel.

3.2.3 TRADE, TOURISM, INDUSTRY AND MARKETING

Vision:

A leading and competitive tourism destination, sustainable and innovative business enterprises and industrial development for the benefit of the residents of Kisumu County

Mission:

To offer robust, competitive, sustainable industrialization and sustainable business enterprises development in Kisumu County

Mandate

The Mandate of the Department of Trade is to promote trade development, industrialization, enterprise development, cooperatives through policy formulation and implementation, regulation and infrastructural development.

Strategic Objectives

The Department Trade, Tourism, Industry and Marketing Department, County Government of Kisumu has the following strategic objectives.

1. To promote industrialization and a vibrant business service sector.
2. To promote the growth and development of a viable and sustainable cooperative sector.
3. To promote development of micro, small and medium enterprises (MSMEs) through innovation, incubation, training and capacity building.
4. To build entrepreneur and managerial capacity, technical skills that support the growth of the sector.

Trade is an engine of growth that creates jobs, reduces poverty and increases economic opportunity; its facilitation allows better access for businesses to production inputs and supports participation in terms of value chains.

The key mandate of the department is to create a conducive business environment for trade and enterprise development, to facilitate competitive trade, to enhance fair trade practices,

consumer protection and promote development of small and medium enterprises, innovation, training and capacity development.

The departments Core functions is Provision of business support services, credit facilities (Enterprise development fund) and advisory services (Clinics)**,**Capacity building for the business community through training, counseling and research, Provision of general information on business trends and marketing**,** Organizing, coordinating and participating in domestic and international trade missions, fairs and exhibitions**,** Identify business opportunities in the county**,** Regulation and verification of weights and measures equipment to ensure use of accurate, weighing and measuring equipment in business transaction, Promote creation of producer Business groups in order to strengthen the fragmented supply chain and to streamline the supply chain between the small scale retailers and large suppliers**,** Improve business environment (Infrastructures) and promote attractive investment climate**,** Development and implementation of county development plans, programs and projects for the Ministry

In the FY 2023/2024 the department intends to major on the following priority strategies with the aim of opening up the county for economic growth that will see the lively hood of the traders and entrepreneurs improved especially after the disruption of their activities by the restructuring of the city and cognizant of the devastating effects of COVID-19, the department of trade is committed to economic recovery and empowerment of its people to enable them engage in sustainable and value added economic activities for restoration and improvement of their livelihoods:

i. Improvement of various markets within the county to provide conducive environment for traders

ii. Partnering with likeminded stakeholders to facilitate capacity building and affordable credit facilities, The purpose of this is to establish a stable and sustainable revolving fund in order to mitigate the economic challenges experienced by MSMES post COVID-19,Facilitate access to credit for business capital, Promote enterprise development among youths, women, and persons with disabilities and needy persons, Facilitate the development of conducive and appropriate Business ,Enhance access to employment, Enhance enterprise skills development, Promote economic growth, Ensure equal and fair treatment of

micro, Small, and medium Enterprises, to provide affirmative action funding for youth, women and PWD enterprises, Improving and developing the existing market facilities for provision of conducive business environment,

3.2.4 CITY OF KISUMU

The City of Kisumu a centralized authority created under the Urban Areas and Cities Act of (2011) with a management Board. It is one of the fastest growing City spurred with reaffirmation of good governance, active environmental health and the Lake front prospects.

In the financial period under review, the departmental approved budget estimate decreased to Kshs 576,700,138, representing 4.8% of the total county budget. This amount was comprised of Kshs 118,288,564 (21%) for Development and Kshs 458,411,574 (79%) for recurrent expenditures. Similarly, by the end of the financial the City department absorbed Kshs. 456,590,380.20 of its total allocation representing an absorption rate of 79.17%

Notwithstanding impact of macroeconomic environment and lean fiscal space, the sector has realized notable achievements in FY2022/2023, namely; unblocking of Drainages within Kisumu Bus Park, Rehabilitation of City Court, Purchase of waste skips for Kondele East and West, Purchase of waste Bins (waste management programme), Equipping and improving of Kosawo fittness centre, Rehabilitation and Equipping of Mama Ngina Children's Home, Equipping of Rotary (Business Innovation Centre), Civil works at Uhuru Business Park, Upgrading Streetlight in estates, and Drainage works within the estates.

The major constraints to budget implementation in FY2022/2023 included:

- Slow and late disbursement of funds from the County Treasury to the department leading to delayed implementation of priorities leading accumulation of pending bills.
- Too much centralization of administrative functions undermined effective delivery of service in the department e.g. payments of contracted services, supplies among others.

Given the challenges in the City, the County embarked on the following mitigation measures to reverse their adverse effects: releasing AIE in time and increasing our recurrent budget accordingly.

3.2.5 LANDS HOUSING PHYSICAL PLANNING & URBAN DEVELOPMENT

The mandate of this department is to ensure rational spatial planning for sustainable land use and management that guarantees orderly development of adequate social amenities towards securing adequate housing for socio-economic development.

During the year under review the department was allocated Kshs 663,169,597 for both Recurrent and Development expenditures. This amount included Kshs 514,000,000 (77.5%) for Development and Kshs 149,169,597 (22.5%) as recurrent expenditure respectively. Utilization or absorption of the above allocation was Kshs 57,341,896 (8.6%) which was entirely on Recurrent expenditure. Out of the 514,000,000 for development, Kshs. 500,000,000 was meant for KISIP grant and only 14,000,000 from the county exchequer. The KISIP grant was not received due COVID-19 challenges which occasioned delays. The only two projects (purchase of land for Barkorwa market and Med-Editus) the department had set out to implement did not take off due to challenges of late disbursements and encumbrances revolving around land tenure of the proposed sites.

Despite the myriad challenges encountered during the reported period, the sector realized notable achievements in FY2022/2023.

Housing

Through a partnership with LAPFUND and LAPTRUST, LAPFUND has already initiated the construction of approximately 1800 mixed typologies in Makasembo estate.

Housing development is capital intensive. The County budgets alone are insignificant amidst other competing government programs. The County has remained to be facilitative to housing processes and development partners to deliver the housing agenda.

Urban Development

The County Government of Kisumu elevated five urban areas into towns in the last three years. The elevation was in line Urban Areas & Cities Act and line with the Governor's desire to devolve and delegate functions to the lowest levels possible.

Planned urbanization is one of the greatest global efforts in combating climate change, urban congestion, and poverty. The County Governor has been a keen observer of urban challenges and believes that **the future is urban**. Despite the false start with the elevation of the towns, the department has initiated further classification of the five towns into municipalities. The Municipalities are:

I. Ahero-Awasi Municipality
II. Katito-Pap-Onditi Municipality
III. Maseno-Holo Municipality
IV. Kombewa Municipality

V. Muhoroni-Chemelil Municipality

The Ad-hoc committee commissioned by the department finalised its report and the board members of the municipalities were recruited and vetted at the county assembly. Gazzettement and conferment of the municipalities statuses is set to be done in the FY 2023/2024.

Most urban donor funding requires as a funding condition; the establishment of the delegated urban units. The elevation to municipal status has had an immediate outcome as the City of Kisumu and Ahero-Awasi municipality qualified for Kenya Urban Support Program 2.

Kenya Informal Settlements Improvement Program

The Kenya Informal Settlements Improvement Program (KISIP II) rolled out its second phase of infrastructure implementation in various settlements in the County during the year under review. Designs and procurement of works were done. Implementation is expected to take off in the FY2023/2024. The overall project development objective of the KISIP is to improve living conditions in informal settlements in these selected settlements.

Land & Physical planning

The department has successfully completed the Kisumu City Physical and Land Use Development Plan. The Comprehensive Plan has considered the future development framework for five key areas of the city; the historical urban Core, Kisumu waterfront, CBD, the informal areas, and the extended city boundaries.

The directorate's key deliverable moving forward will be the completion of all the other pending urban development plans.

Development Control

Planning is as good as its implementation, monitoring, and development control. The department spearheaded the preparation and passage of the County Lands and Development Regularization Act 2022.

3.2.6 AGRICULTURE, IRRIGATION, LIVESTOCK AND FISHERIES

The County Government of Kisumu's growth will be accelerated if the County makes substantive investment in Agriculture which is its pillar one aiming among other things at improvement of agricultural productivity and output across major value chains like Dairy, Fish and high value crops, promotion of market access and product development, promotion of

sustainable land use, access to credit and agricultural inputs and intensification of value addition.

The pillar compares well to Agricultural transformation and food security pillar in the Budget policy statement which prioritizes investment in agricultural reforms and productivity enhancement as a way of raising rural incomes and making lasting inroads into poverty reduction

There was increase in budgetary allocation in 2022/2023 Departmental approved estimate of **Kshs 704,582,859.** This is only 5.9% of the total County budget and is far less than the 10% recommended by Maputo declaration for effective agricultural development

However, during the period under review the department's allocation was reduced drastically during supplementary budget to **Kshs 488,531,829** for both Recurrent and Development expenditures. This amount included **Kshs 285,754,664 (58.5%)** for Development and Kshs **202,777,165 (41.5%)** as recurrent expenditure respectively.

Utilization or absorption of the above allocation was **Kshs 428,958,694 (87.8%)** of which **Kshs 266,664,762** was Development expenditure (**62.2%)** and **Kshs 162,293,932 (37.8%)** was Recurrent expenditure.

During the period under review, the sector has realized notable achievements in FY2022/2023 namely there was an increase in production per acre in major crops with maize increasing from 8 bags to 10 bags, rice increased from 20 bags paddy to 30 bags paddy, cotton 3 tons to 5 tons and root crops (cassava and sweet potatoes) and African leafy vegetables increased from 3.5 tons to 5 tons per acre. The increase in production and productivity is attributed to but not limited to the various interventions implemented by the county including enhanced agricultural input access and credit facilities to 11,100 farmers and subsidized inputs to 15,000 famers. Additionally, provision of fertilizer grant of 27,000 bags of fertilizer for rice production was granted by JICA. One-acre-fund has improved access to quality farm inputs by offering them on credit to farmers. The county has also enhanced the extension service delivery through collaborations. It is working with development partners in the implementation of agricultural projects like agriculture sector development support project (ASDSP), kenya climate smart agriculture project KCSAP, practical actional etc. The development partners have also played a key role in ensuring the county develops critical agricultural strategies including the food systems strategy supported by practical action, youth in agribusiness strategy by GIZ and KASSCCOMM by ASDSP.

Area under irrigation increased from 15,000 acres to 18,000 acres in the irrigation schemes. This was attributed to the expansion of land for irrigation through infrastructural development and rehabilitation of the existing infrastructures by the national irrigation authority and county government through KCSAP.

Generally, during the period under review, livestock production increased by 20%. Specifically, milk production increased by 15% (from 30,065lts to 35,473 lts), beef by 15% (from 3,455,000 to 4,109,942), chevon by 28% (from 342,600kg to 478,626kg), mutton by 43% (from347,900kg to 619,129kg), pork reduced by 20% (from 243,400 to 202,076), poultry meat increased by, 83% (from 982,900kg to 1,798,707kg) while eggs reduced by-51% (3,938,230 to 2,590,321). The reduction in egg production was attributed to the high cost of feeds. The increase in production for the other products was attributed to the various interventions undertaken including the supply and delivery of 607 dairy cows. The surviving progeny from the distributed dairy cows stands at 367. These gains were sustained and complemented by enhanced access to artificial insemination which led to an estimated 30,000 inseminations over the period. A total of 44,618-day-old chicks (8,924 for eggs, 4,462 both eggs and meat and 31,233 meat only) were distributed to farmers across the county. Market access has also improved by creation of market linkages and strengthening of farmer groups and producer organizations through capacity building and grants supported by the county government in collaboration with development partners such as food agriculture organization (FAO), practical action, world bank (KCSAP) and national government (ASDSP). Notable gains have been achieved through enhanced disease control programs like programmed vaccinations against notifiable and zoonotic diseases by the county government. The county government with support of EU established kisumu dairy development center (KDDC) that is expected to be a game changer along the dairy value chain. Over the period under review enhanced extension services deliver was enhanced y due to collaboration with other key stakeholders supporting development of livestock value chains.

Under fisheries production, capture fisheries and aquaculture production increased by 10% (from 1,891MT to2,064mt) and 22% (122MT TO 149MT) respectively. The increase in production was attributed to the following interventions; supply and delivery of 712,000 fingerlings, 280 predator nets, 115pond liners, 10 harvesting nets, installation of cold storage facility at jubilee market, and construction of 4 fish bandas and 1patrol boat was purchased by county government. In addition, restructuring of governance of beach management unit was done.

The major constraints to budget implementation in FY2022/2023 included:

- Heavy rains that pounded the County causing massive floods leading to enormous destruction and damage to field crops and livestock especially in Nyando, parts Nyakach, Muhoroni and Kisumu East sub-counties and damage to general infrastructure.
- Slow and late disbursement of funds from the County Treasury to the department leading to delayed implementation of priorities leading acculation of pending bills ie **R10 outstanding pending bill is Ksh 14,656,942** and **D10 outstanding pending bill is Ksh 38,965,512**
- Too much centralization of administrative functions undermined effective delivery of service in the department eg Stationery, Fuel, Maintenance of Motor vehicle, Provision of contracted guard services, hire of casual labour among others
- Additionally, inadequate recurrent budget provision could not allow recruitment of more technical staff and career progression of existing staff required for effective extension service delivery.
- Fishing sector was also faced with challenges of over fishing, unsustainable fishing methods and hyacinth menace. The strategy is to carry out law enforcement, sensitize fishers in collaboration with Stakeholders to engage in other income activities, water hyacinth control.

Given the challenges in the Agricultural sector, the County embarked on the following mitigation measures to reverse their adverse effects: encouraging farmers to adopt the drought - fast maturing improved crop varieties especially the African leafy vegetables, and crops that can stay in the field for a long time such as Cassava as well as tolerant crops such as sorghum .Investment in micro - irrigation projects for horticulture was also achieved.

The Livestock producers are not realizing full potential from livestock enterprises due to low quality genetic resource base in both livestock and feed resources, inefficiency in production systems and high disease and pests' manifestation and low adoption of technologies.

To mitigate this shortfall, the department provided subsidized semen to improve genetic quality and vaccines to control disease outbreaks

The major services/outputs provided during the MTEF period 2022/2023 included; Advisory Service in Agriculture, Livestock and Fisheries, Pest and Disease control and Development of Irrigation Schemes.

1. **Fiscal Performance**

A) Revenue outturn

The department has four revenue streams that generated **Kshs 3,663,848** during the period under review as tabulated below:

S/No.	Stream	Target	Actual
1	Agricutural Machinery Services	820,606	121,940
2	Agricutural Training Centre	3,000,000	92,900
3	Veterinary Services	3,000,000	2,831,808
4	Fisheries Services	1,400,000	617,200
	Total	**8,220,606**	**3,663,848**

The department managed to collect revenue amounting to **Kshs 3,663,848** though with a lot of challenges. Key among the many challenges is the numbers of staffs were few covering a large area with diverse terrain. Transport was also a big a challenge since collection of revenue is a daily thing. The veterinary services was the main backbone of the department followed by Fisheries directorate, AMS and ATC. Agriculture reached their peak in January followed by July, October, February and March. These are the months for field farm preparation. Fishery reached their peak collection in March since most of licensing activities are done within the 3rd quarter.

Implication of FY 2022– 2023 Fiscal Performance

Despite the fact that the department has been able to commit over 62.2% of its development funds over 14% of the contractors and suppliers were not paid resulting in pending bills totaling to **Ksh 53,622,454** both Development and Recurrent.

The under performance in the AMS and ATC sector is attributable to lack of appropriate policy regulations. There exist Agricultural Facilities Improvement Financing bill, 2023 before the assembly for enactment that will enable recycling of the revenues in County agricultural institutions.

Recent Economic Developments-County Specific outlook

In Kisumu County, the agriculture sector has continued to record positive economic development as a result of improved infrastructure, revitalized agricultural sector and the significant investments in other sectors including health, education and trade.

Although the county has been working towards revitalizing the agriculture sector, the sector is still experiencing a number of challenges including, increased fuel prices affecting the cost of production hence, increased cost of commodities. The high import duty imposed on agricultural products has greatly affected the affordability of inputs. Although, the government has waived import duty the measures have been countered by the rising exchange rate and high global food prices.

Land accessibility and land fragmentation are a major hindrance to commercial agricultural production. Most Kisumu farmers engage in traditional agricultural methods of production as a result of the low adoption of the agro-innovations. Climate change is becoming one of the major factors affecting agricultural production in Kisumu county with the rising lake water levels has resulted in flooding in farming areas with Nyando and parts of Kisumu east Sub County mostly affected.

The high interest rates (prohibitive interest rates) charged by commercial banks and farming Sacco's are preventing most farmers to access initial capital to start the farming enterprise. The issue mainly affecting the youth. Poor storage infrastructural development leads to post harvest losses.

Rural-Urban migration compounded with the emerging satellite towns are affecting agricultural production in Kisumu. The majority of the population moving to towns are mainly the youth leaving behind the aging farming community which makes over 60% of the population engaging in agriculture.

Weak implementation of the existing policies/strategies that support agricultural development.

Addressing these challenges, calls for holistic and multi-stakeholder approach to improve on food and nutrition security in the County.

The 19th Kenya Economic Update, Unbundling the Slack in Private Investment, says agriculture is a major driver of growth for the Kenyan economy and is the dominant source of employment. From 2013-2017, the report notes the agriculture sector contributed on average 21.9% of gross domestic product (GDP), with at least 56% of the total labour force employed in agriculture in 2017. Agriculture is also responsible for most of the country's exports, accounting for up to 65% of merchandise exports in 2017. As such, the sector is central to the

government's Big 4 development agenda, where agriculture aims to attain 100% food and nutritional security for all Kenyans by 2022.

"We found that productivity increases in the agriculture sector not only benefits poor households, it can potentially lift them out of poverty," said Ladisy Chengula, World Bank Lead Agriculture Economist and author of the report's special section on transforming agriculture sector productivity and linkages to poverty reduction.

Despite progress towards achieving food security for all Kenyans, the analysis finds that real agricultural value-added has declined relative to levels attained in 2006. This was due to weather related shocks, prevalence of pests/disease especially outbreak of COVID 19 and dwindling knowledge delivery systems such as the inadequate agricultural extension services

Boosting Agricultural Productivity

The report recommends policy reforms that could help transform the sector and deliver on food and nutritional security, including:

- **Enhance access to agricultural financing:** While Kenya represents a vibrant and enabling market for FinTech, the report notes the more traditional banking that is needed to service commercial agriculture is lacking. About 4% of commercial bank lending is for agribusiness, despite most Kenyans being employed in agriculture or agribusiness.
- **Increase the use of fertilizer:** The report found that fertilizer use remains inadequate in Kenya. The report also found the targeting mechanisms for the government's fertilizer subsidy program is inefficient, often benefiting medium/large scale famers relative to small-scale farmers. Reforming fertilizer subsidies to ensure that they are efficient and transparent, and target smallholder farmers remains key in restoring productivity.
- **Establish structured commodities trading:** Like most countries in Africa, the government still retains a big role in marketing agricultural outputs, especially maize, leaving little room for private sector participation. Further, National Cereal and Produce Board (NCPB) buys maize at a premium above the price determined by market forces. These interventions result in undue fiscal pressures, mis-allocation of resources from other potentially high productivity expenditures (extension services) and disincentivize

private sector participation. Structured commodities trading could minimize inefficiencies and transform small holder farmers from subsistence into successful agribusinesses.

- **Invest in irrigation:** While 83% of Kenya's land area is arid and semi-arid, 2% of arable land is under irrigation compared to an average of 6% in Sub-Saharan Africa and 37% in Asia. The low usage of irrigation means Kenya's agriculture is fully rain dependent and susceptible to drought shocks. The analysis shows that investing in irrigation and agricultural water management for smallholders can reduce productivity shocks and raise the sector's total factor productivity, potentially climate proofing the sector.
- **Support stronger farmer organizations:** Kenya has many geographically dispersed smallholders that are not integrated into key agriculture value chains. Dispersion increases production costs and reduces small farmers' competitiveness. The analysis shows that stronger farmer organizations (FOs) could foster economic inclusion of smallholders and increase their market power-thereby raising their incomes and productivity. Further, while value addition to agricultural commodities remains low, increasing the agribusiness to agriculture ratio could create more jobs and reduce poverty.
- **Riding on ICT to deliver efficient and effective extension service** through dissemination of innovation and technologies that would improve productivity in the agriculture sector via toll free Agriculture call Centre to quickly support in farmer outreaches with better technologies such as cage fish culture, crop grafting and tissue culture and many more. Improvement of market linkages and access to market information to sustain production value addition and curbing post-harvest losses.

Resource Allocation

The department has lost thirty three (33) members of staff through natural attrition and expects to lose a further twenty-eight (28) by the end of FY2023-2024. These has affected service delivery in the field and there is intent to replace them following cabinet approval and subsequent advert by the CPSB. The department has included replacements of these exiting officers in the 2023-2024 budget on personnel emoluments to cater for the promotion and employment a further 100 staff for effective service delivery.

There is need to improve the development budget for the department to realize its goal of alleviating poverty through food security and job creation.

There is need to increase funding specifically for irrigation.

Revenue Outlook

The department is in the process of improving the mobility of revenue collectors, especially in the veterinary stream and this is expected to improve revenue collection.

The department in conjunction with the revenue directorate has automated all revenue streams for efficiency in revenue collection.

The revenue collection target for the department for the FY 2023-2024 is **Kshs 11,500,000**.

Conclusion and Way Forward

The county government has made efforts towards addressing the problem of food insecurity through measures that include provision of Clean planting and improved genetic materials, free extension provision among other initiatives, however the funding to the sector is yet to comply with the Maputo Declaration of 2003 - when African heads of state and government pledged to allocate at least 10 percent of their national budgets to the agricultural sector.

To improve food security and contribute more to the GDP of the county the following need to be addressed:

- Improve funding to the Agriculture sector
- Fast tracking of legislation in the Crop, Livestock and fisheries sectors to streamline operation in the value chain
- Strict adherence to timelines in the procurement process to reduce cases of many projects being implemented in the fourth quarter of the FY.

3.2.7 COUNTY ASSEMBLY OF KISUMU

3.2.8 WATER, ENVIRONMENT, CLIMATE CHANGE AND NATURAL RESOURCES

The Mandate of the Department is formulation, integration, co-ordination, supervision and implementation of policies, plans, programs, projects and activities of Water service provision, climate resilient and environmental management within Kisumu County.

The department has a vision of a climate resilient County with Clean and Healthy Environment Supplied with Safe Domestic water. The mission is to enhance access to safe and healthy

environment with sustainable water supply and climate Change smart systems through a multi-sectorial approach.

The department is divided into three directorates:

1. Directorate of water and sewerage services provision
2. Directorate of Environment and Natural resources
3. Directorate of Climate Change

a) DIRECTORATE OF WATER AND SEWERAGE SERVICES PROVISION

The strategic objective of the directorate is to increase access to portable affordable water in Kisumu County. During the period under review, the objective was achieved using the following strategies:

- Development of new water infrastructures
- Rehabilitation and expansion of existing viable water projects
- Strengthening Partnership and collaboration with WASH development partners

Major achievements of the directorate for the financial year under review 2022/23 were:

- Completed implementation of 9 no. development projects while works are in progress in 7no. other projects and a follow up is made to 1 no. stalled project.
- Development of training manual for small scale water service providers through WASH partners
- Rehabilitation of 10 water projects through WASH partners
- Construction of 22 no new water infrastructure (15 no boreholes and 14 KM pipeline extension) through WASH partners

Intervention priorities for financial year 2023/24

1. Drilling and equipping of Boreholes
2. Protection of Springs
3. Upgrading of viable Water supply systems
4. Rehabilitation of Non-functional water supply systems
5. Construction and equipping of Water quality laboratories
6. Promotion of Rainwater harvesting
7. Extension of New Pipeline networks
8. Construction of Water reservoirs

9. Rehabilitation of Dilapidated pipeline network
10. Establishing NRW management unit
11. GIS Mapping for all 14gazetted water supplies
12. Installation of meters
13. Adoption of Appropriate technologies on management of Non-Revenue Water (NRW)
14. Implementation and dissemination of Kisumu County Strategy on management of rural water supplies
15. Rehabilitation of Dilapidated sewer networks
16. Construction of New sewer networks
17. Rehabilitation of Existing wastewater treatment plants

b) **DIRECTORATE OF ENVIRONMENT AND NATURAL RESOURCES**

The strategic objective of the directorate is to protect and conserve County Environment and its natural resources. Major roles include Management of Solid Waste, Conservation of the Environment and Noise Pollution Control. The department applied the following Strategies for the achievements of its objectives:

1) Strengthen solid waste management system,
2) Strengthen forest management and governance,
3) Strengthen institutional and regulatory framework,
4) Strengthening Partnership and collaboration with Environmental network partners

Major achievements of the directorate for the financial year under review 2022/23 were as follows:

- Completed the implementation of all 6no. development projects
- Carried out multi agency sensitization on sand harvesting and mapped hotspot areas
- Planted 70,000 tree seedlings in gazetted forests and schools
- Solid waste evacuation in Markets across all sub counties
- Adoption of 10 ha Kajulu forest by family bank
- Carried out green bond assessment

Intervention priorities for financial year 2023/24

- Development of Regulations and guidelines on Solid Waste Management
- Development of Environmental and Natural Resources Management Policy and Act

- Development of waste Material Recovery Facilities
- Improvement of Kasese Integrated Solid Waste Management Facility (ISWMF) site
- Development of County Environment Action Plan (CEAP)
- Development, Review and implementation of Sub Catchment/ Watershed Management Plan
- Conduct Baseline survey on wetlands status
-
- Development and implementation of Participatory Forest Management Plan (PFMP) for carbon sequestration and conservation
- Promotion of School greening, On farm tree growing / Agroforestry /tree cover and seedling production
- Development and implementation of Integrated River Basin Management Plan
- Opening of County drainages and water-ways
- Desilting of Urban storm-water drains
- Urban centers Beautification
- Community Sensitization on Environment and Natural Resource
- Review of Projects to conform with best Environment Practices
- Enforcement and strengthening of Air-Pollution monitoring
- Strengthened Water Pollution Control
- Strengthened Noise and Excessive Vibration Control

c) DIRECTORATE OF CLIMATE CHANGE

The strategic objective for this directorate is to strengthen institutional coordination framework, planning and budgeting for County Climate Change. This was achieved through application of the following strategies:

1. strengthen partnership on environment and climate change
2. Mainstreaming climate change in policies and programs in all county departments
3. Strengthen implementation of climate institutional and regulatory framework
4. Strengthen climate change governance
5. Strengthen climate change adaptation and mitigation measures
6. Strengthen early warning systems
7. Improve knowledge on climate change

Major achievements of the directorate for the financial year under review 2022/23 were as follows:

- Conducted Participatory Climate Risk Assessment (PCRA) community engagement in all the 35 no. wards
- Developed county climate change action plan and presented to the assembly awaiting adoption
- Installed 1 no. Biogas demo in Tiengre primary school
- Vetted and gazetted ward climate change planning committees in all 35 wards
- Gazetted county climate change planning committees and steering committees
- Constructed 1 no. material recovery centre at Otonglo
- Conducted seasonal participatory scenario planning and climate information dissemination in all 7 sub counties
- Mainstreaming of climate change actions in all County project.

Intervention priorities for financial year 2023/24

1) Development of Climate Change regulations
2) Conducting Climate Change committees' trainings
3) Development of Kisumu County Climate Action Plan (KCCAP) 2022-2035 and Adaptation plans for 35 no. wards
4) Development of County & Wards PCRA
5) Development of a report on Kisumu Climate Economic social analysis (loss and Damage)
6) Implementation and promotion of green innovations technologies
7) Implementation of Financing Locally Led Climate Action (FLLoCA) resilient investment projects
8) Promotion of renewable energy technologies
9) Generation of fruit trees and exotic and indigenous tree seedlings
10) Sensitize green champions, youths and PWDs
11) Support and implement climate change innovations
12) Conduct Participatory Scenario Planning (PSP)
13) Conduct Radio talk shows for early warnings
14) Mapping of Disaster hot spots
15) Construction of automatic weather stations
16) Strengthening of disaster risk management committees
17) City greening and biodiversity management

Challenges faced in the implementation of projects and programmes during the period under review of 2022/23:

- Inadequate operations vehicles to facilitate mobility to sites for project appraisal and assessment.
- Postponement of FLLOCCA investment projects to next financial year
- Underfunding of the projects
- Mainstreaming climate change actions in all county projects so as to comply with climate smart projects, not all departments have embraced this in their project design making coordination difficult.
- Inconsistency between the approved budget and the departmental programs.
- Old equipment for garbage collection
- Lack of skilled personnel
- Lack of equipment to measure the intensity of noise
- Lack of equipment to measure air pollution

3.2.9 FINANCE AND ECONOMIC PLANNING AND ICT SERVICES

In the 2022/2023 financial year, the Department of Finance and Economic Planning prioritized several key areas, including the settlement of outstanding bills, rehabilitation of county offices, united green and car and mortgages. The department was consequently allocated Ksh. **3,126,752,888** to help achieve its set out objectives.

For the FY 2022/2023 on the budget execution, the County Government utilized as shown in the below table;

No		**Budget FY 2022/2023**	**Actual Payment**	**Balance**
1	Recurrent	7,699,235,584	6,948,631,105	750,604,479
2	Development	3,412,161,778	2,356,295,196	1,055,866,582

The County Treasury demonstrated significant progress in the settlement of pending bills, as evidenced by the disbursement of Kshs. 1,070,429,097 which represents a substantial portion of the allocated budget of Kshs. 1,442,855,947. Efforts aimed at substantially reducing this load persist and are yielding positive outcomes. It is anticipated that through an augmented allocation in the Budget for the fiscal year 2023/2024, the timely disbursement of the National Fund and an increase in revenue from internal sources will provide the necessary resources to settle a considerable amount of outstanding bills.

The Department encountered various challenges during the previous fiscal year, which encompassed:

1. Delays in fund distributions from the National Treasury
2. Political Interference on Implementations of programs and projects
3. The deficiency in generating revenue from internal sources.

Key reforms/ measures to be undertaken in the current financial year 2023/2024 include;

1. Payment of Pending Bill.
2. Operationalization of the Revenue Board for improved Own source revenue collection

As a result, the Directorate of Economic Planning and Budgeting has established a strong link between priority programs identified by the Departments and projects outlined in the County Integrated Development Plan (CIDP III), Annual Development Plan (ADP 2022-2023), Fiscal Strategy Paper (22/2023), and the County Budget estimates (2022/2023).

3.1.10 INFRASTRUCTURE, ENERGY AND PUBLIC WORK

The department of Infrastructure, Energy and Public Work is divided into two broad sub sectors and its functions include but not limited to develop, operate and sustain transport infrastructure and public works activities that meet the demands and expectations of the citizens. Key functions are coordinating and initiating action for growth in the areas of Roads, Public Works, Transport Mechanical Engineering Services, and Energy. The specific functions were developed from Schedule four part two of the Constitution of Kenya 2010.

Mandate of the department is to develop, operate and sustain transport infrastructure and public works activities that meet the demands and expectations of the citizens: Formulated and enforced County Road policies, which encompassed implementation of machine-based roads construction policy during period under review FY 2022-2023. The initiative of machine-based roads construction was informed by the need to cut down cost of roads construction and enhance proper utilization of the available funds.

Department carried out machine-based road maintenance project in Sub Counties which were budgeted and allocated funds for roads maintenance. Major challenge was inadequate budgetary allocution for the identified projects. As a result, most of the projects were not completed to required standard as some activities were omitted during the actual implementation of the program.

The department continued with implementation of Kisumu County Road Maintenance Teams (KCRMTs) policy as envisaged in the Governors manifesto, is to facilitate routine roads maintenance in the County in a fair, equitable, cost effective and sustainable manner using simple equipment. (KCRMTs) policy was actualized, funds disbursed from County Treasury for deployment. Recruitment process for the casuals concluded,
The department will continue with the initiated Flagship projects as outlined below; -

In the period under review FY 2022-2023, The department's obligations were to carry out the following activities, road opening, grading, gravelling, drainage works including culverting, watering and compaction.

Major Achievement

- Upgrading of 5.6 km of Namba Kapiyo Road to Bitumen standards.
- Completion rate of 97% of all contracted roads projects achieving 67km
- The department has opened 23km, graded 67km and graveled 26km spread across all the wards in the county through Machine based program.
- Acquisition of one Excavator and one Compactor.
- Deployment of well-resourced Technical team to the construction of Governors Official residence. The progress of work has been tremendous at 30% within the 2 months.
- Refurbishment of key construction Equipment; Dozer GKA 082Y, Lorry 42CG O77A, Backhoe and Motor Grader 42CG 231A. which have boosted the machine-based program.

Flag Ship Project

Bitumen Road

Kisumu County has embarked on an ambitious plan of upgrading key gravel roads to Bitumen standard. These key roads provide access to tourist attraction sites, education, health, social canters. The county has prioritized the upgrading of Namba Kapiyo –Bodi-Asat-Bao Beach Road-15.2 km to Bitumen standard at a cost of 500 million Kenya shillings. This road will provide access to Ndere Island tourist attraction site hence promoting local tourism. The road also connects and networks market centers such as Awanya, Hol kobonyo, Nyaguda and Lolwe markets as well as neighboring education and health centers. Moreover, the road will also open up other investment opportunities along the beachfront such as hoteliers, resorts, fishing and fish industry

The project is phased financed and during this financial year, FY 2022/2023, the project was allocated Ksh. 237,624,662. The allocated amount is to upgrade a section of the road namely

Namba Kapiyo-Lolwe road, 8km to bituminous standard. The project was awarded and the NYS as contractor through Government-to-Government contract, the contractor is currently and has completed 80% of the work on site.

Below is summarized status of works

S/No.	Road Name	Ward	Contract Sum (Ksh)	Status	Remark
1	Namba-Kapiyo-Lolwe road (Lot 1)-8km Bituminous surfacing of Namba-Kapiyo-Lolwe road 8km.	East/Central Seme	**222,183,469.42** **Part Payment processed and Paid Ksh. 11,153,284**	**Overall project completion is 75%.**	- 2NO. Publicity signboard has been erected at chainage 0+000 and 8+000. -Road clearance done upto 8km. -Two road diversions Kitmikayi-Hol Kobonyo-2.5km and Yago-Obola Junction Road 3km have been improved by grading and spot gravelling. -Drainage works on-going. -Bitumen surfacing done on section-1.3km -Processing of base/sub base up to 4.km
	Grand Total		**222,183,469.42**		

The achievements portrayed an increase as compared to the previous year's achievement; this was due to several factors i.e., thorough supervision of the activities despite inadequate budget allocation, late release of fund and prolonged period of floods.

Directorate of Infrastructure and Public Works

Roads Unit

Roads Unit performed County wide road inventory and condition survey in the period under review for development of BQs, mapping out road construction and maintenance strategies. Other activities included but were not limited to planning, designing, construction/supervision

and maintenance of County rural access roads, planning, design, construction/supervision and maintenance of County main link roads, planning, design, construction and maintenance of storm water drains, culverts and footpaths. Design and construction of Bridges

Public Works Units

The public works section offered technical support to other department in the implementation of their development projects through designing of buildings and infrastructure, preparation of tender documents and supervision of, construction & maintenance of County public buildings and infrastructure projects. Other duties include enforcement the developed policy on Public Works functions.

Transport and Mechanical Engineering Services Unit

The directorate carried out mechanical maintenance/service, Pre and Post-Inspection for all County plant equipment and motor vehicles and advice on repair/ maintenance model as cost saving strategy measure in the period under review as an alternative to the Regional Mechanical Engineering Office Kisumu. The initiative reduced delay in servicing County vehicles and equipment. Identify private garage suitable for repairing County government vehicles, plant and equipment. Valuation of vehicle, plant and equipment Under the directorate of Mechanical Engineering and Transport, the department developed holistic approach to revamp the stalled machines and light vehicles

Provision of equipment for road construction and maintenance by embraced operational efficiency through provision of services, by ensuring availability and serviceability of Vehicles; Plant and Equipment; Procurement repair. Strategy was to revive key machines: Motor Grader 42CG229A, Backhoe and Tipper Lorry 42CG077A. The revived equipment supported machine-based program thus savings on hiring cost. Improved the availability of plant and equipment to spur Infrastructure Investment and ease of doing business. One Excavator and Compactor in FY 2022-2023 were acquired during the period under review.

Energy Unit

The mandate of this unit is to facilitate production and promote access to affordable, reliable, and sustainable energy for both domestic and industrial use. The directorate also carries out regulation of downstream activities in the petroleum industry as mandated by the Energy Act, 2019 where the department does inspection, licensing and compliance enforcement for Retail petrol stations and Liquefied Petroleum Gas (LPG) businesses in collaboration with regulator Energy and Petroleum Regulatory Authority (EPRA), the department also promotes

development and use of renewable energy sources, technologies and advocates for facilitation of scaling up of clean cooking solutions and fuels in Kisumu County through promotion and expedition of enabling policies, creating public awareness and capacity building of sector players.

In the past years, the department concentrated on implementation and maintenance of High Mast Floodlights and streetlights across the county in collaboration with the national state corporations; which saw implementation of over 4500 street lighting points within Kisumu City and the satellite towns and 350 High Mast Floodlights in various markets and public utility areas (170 directly implemented by department).

3.2.11 EDUCATION, ICT AND HUMAN CAPACITY DEVELOPMENT

The Department's budget was shared among its five Directorates namely; Early Childhood Development Education (ECDE), Vocational Education and Training (VET), Information Communication and Technology, Women, Youth and People with Disability (PWD) and; Social Services. This has since been restructured as Department of Education Technical Training Innovations and Social Services through Executive Order No.1 of 2022. The Directorates of ICT services and Gender services are currently placed under the County Treasury and Youth Sports Culture and Gender services respectively. Significantly the Department has expanded mandate with two broad directorates namely; Directorate o ECDE and Directorate of Technical Training Innovations and Social Services.

The Kenya National Library Services through the Intergovernmental Relations Technical Committee devolved the Kisumu and Koru Library Services. This too has been domiciled into the Department.

In preparation and implementation of the budget under review, the department was guided by its Vision, and Mission and strategic objectives as stated below:

Vision

Quality foundational Education, Vocational training, Innovation and Social Services that integrates ICT for Human Capacity Development.

Mission

To provide an excellent and vibrant leadership in offering foundational education, technical skills and social services through ICT integration and innovation in service delivery for the development of productive human capacity in Kisumu County.

Strategic Objectives

1. To provide effective and efficient services to departments, organizations and the citizens in Kisumu County.
2. To promote quality and relevant Early Childhood Development Education in Kisumu County.
3. To develop policy framework guiding Early Childhood Education and Vocational training;
4. To promote youth empowerment in the County through employability skills training
5. To promote Socio-Economic empowerment and development to Women, Youth and PWD in the County.
6. To increase participation of the vulnerable and marginalized groups for community development in the County
7. To grow and expand a secure digital infrastructure in line with the dynamic ICT industry requirements
8. To create a globally ethical and digitally competent workforce & citizenry for a Digital Economy
9. To provide simple E-government services for ease of use and quick adoption by digital natives and naturally persuasive to digital immigrants

During the year under review FY 2022/2023, the Department was allocated KES 725,287,392 in the approved Supplementary Budget Estimates. The budget was broadly split in KES 374,948,331 for Personnel Emoluments and the entire budget was spent, KES 226,108,975 for Operations & Maintenance out of which 215,292,925 was spent and KES 124,203,086 for Development expenditure out of which KES 69,119,554. It's worth noting that in the development expenditure, transfers to TVET institutions, Capitation to ECDE Centres and the feeding programme were included alongside infrastructural developments. Total amount unspent for the period under review amounted to KES 65, 926, 582. The pending bills beginning the current financing year is KES 52, 197,786.

The Department completed and delivered development 14 projects and 3 programs respectively, three are ongoing while four were not done due to contractual challenges.

In addition, in the year under review the department through the Kisumu County Education Fund allocation of KES 205 Million which was programmed to provide secondary education scholarship to 1400 students and bursaries to 29,966 students drawn from all the 35 civic wards in Kisumu County as was presented by the various Ward Bursary and Scholarship committees. Ward Scholarship was pegged on 10 students per class thus making a total of

40 students per ward. Of the 29,966 students under bursary, 23,540 are in Secondary Schools with the remaining 6,426 in Vocational Training Centers, Colleges and Universities. The department has earmarked 70 students for Marine training courses at the Kisumu Marine School is open.

The following challenges were experienced during the budget Implementation:

1. Late disbursement of funds from exchequer causing delays in execution of programs
2. Unsustainable feeding programme due to low budgetary allocations.
3. Inadequate social workers, trainers in VTCs and teachers in ECDE Centres. The situation was aggravated by 13 staff who left service due to natural attrition without replacement.
4. Inadequate Modern workshops, tools & equipment for market driven skills training.
5. Inadequate ECDE infrastructure to support conducive learning environment for Children in early years of education.

The lessons learnt include need for Strong and committed partnerships and collaborations to bridge County Budget, regular monitoring and evaluation of projects, timely preparation of bills of quantities and floating of tenders for higher projects completion rates and; improved interpersonal skills within staff to fosters harmony and smooth implementation of projects and programmes will improve future projects management.

Focus will be on enhanced educational standards by improving the learning environment, ensuring retention and improving completion and transition in ECDE sector, accelerating expansion and equipment of Vocational training Centres. Provision of teaching and learning materials in order to empower the youth with skills and competencies for the labour market in addition to capitation, scholarship and bursary programs to the students.

The Department will enhance its collaborations and networks to bridge its funding gaps for construction of more infrastructure, adoption of new innovations and technologies and policy development to address policy gaps.

Directorate of ECDE

In the period under review, the Pre-Primary Education Program delivered access to free, quality and safe ECD education to ECDE children in Kisumu County through various intervention. The focus will be on five (5) key areas of Nurturing Care in the Early Years of Education through promotion of Good Health, Good Nutrition, providing Opportunity for early learning, ensuring Safety and protection and; promoting Responsive care-giving.

To implement the key areas of intervention, the directorate will complete budgeted stalled infrastructure projects, supply furniture to ECDE Centres, sustain the school feeding

programme, provide teaching and learning materials, budgetary provision for teacher recruitment, monitoring and capacity building of existing teachers and increase collaborations and partnerships. In addition, the directorate will focus on strengthening governance structures in ECDE through capacity building of Boards of Managements.

Under the legislative framework, the directorate will champion for the completion of ECDE Bill for enactment into law to enforce all the key areas for nurturing care in Early learning.

The County has also partnered with play action international to support an ECDE Centre at Obwolo ECDE at a cost of KES 9,000,000 and is expected to be completed by November 2023.

Directorate Vocational Education and Training

During the period under review, the directorate implement two development Projects Construction of Katito VTC Dormitory and construction of Lela VTC which were done to completion. Capitation grants were also disbursed to Public Vocational Training Centres.

In addition, it spearheaded policy development, enhanced collaborations with partners and institutional quality audits, capacity building, governance and management strengthening.

It is noted that there has been remarkable increase in enrolment from 4396 trainees in 2022 to 5456 by June 2023.

The Directorate will endeavour to promote youth empowerment through provision of skills' training that match the labour market requirements. Its focus will be to progressively establish one Centre of Excellence for technical and vocational training in each sub county and; provide modern workshops and classrooms, tools and equipment in the established Vocational training centres;

The Kenyan Blue Economy Skills Training (KBEST) Program, a seven-year program (2022 to 2029) will be rolled out in the current year to increase participation of adolescent girls and young women, youth, and vulnerable populations in demand-driven blue economy (BE) fields.

The department will also complete formulation of Kisumu Vocational education and training policy to guide in the sub-sector management and resourcing while establishing VET sector information management system.

Directorate of Women Youth and PWDs.

The Directorate coordinated gender responsive practices in policy, planning, programming and implementation processes. It also undertook gender mainstreaming, prevention of gender-based violence focusing on SGBV by developing implementation framework and formulation of a bill, promotion of good cultural practices, provision of Safe spaces for

sustainable development and ensures implementation of social inclusion strategies for the special interest group (SIG). It also focused on employment creation and meaningful engagement of Youth, Women & PWDs through Socio-economic empowerment by deepening the Implementation of minimum 30% Access to Government Procurement Opportunities (AGPO}. In particular, the Department reserved certain procurements to the youth, women and PWDs. Training & capacity building on digital skills for online employability was also conducted through African Women in ICT NGO.

Directorate of Social Services

The Directorate coordinated the implementation of policies, programmes, strategies and plans for empowerment, Social Protection and welfare more so for the special interest groups; PWDs, OVCs, widow, elderly persons, street families and marginalized. It will equip and operationalize empowerment centres, rehabilitate and integrate street families, persons affected with drugs & other substances, works with partners to offer Pyscho -socio support to the affected families and promotes child protection and participation. Currently it is a section within the Directorate of TTI and Social Services.

During the period under review the Directorate initiated the development of the Kisumu County child protection policy which is currently at the final draft stage and due for public participation with support from UNICEF, Directorate of Children Services and other partners. The Directorate is also part of the Street Families Rehabilitation County Chapters under the Street Families Rehabilitation Trust Fund chaired by County Commissioner; the committee was trained and launched in Naivasha. On infrastructural development the directorate equipped the Akado resource centre, going forward the directorate intends to complete five, refurbish and brand 3 social infrastructures and survey all the social infrastructures, management of these infrastructures and the directorate is working on a policy framework for efficient management to boast county on source revenue.

Directorate of Information Communication Technology

The ICT platform holds greater potential for service transformation in the county. The Directorate restructured and re-energized professional Information and Technological services. In addition, policy development process was commenced for standard operating procedures to be documented. The draft policy awaits public participation. ICT audit systems were established and maintenance of computer software and networks done for efficient service delivery and enable ease of doing business. The optimal level wasn't realized due to financial constraints

Key reforms/ measures to be undertaken in the current financial year 2022/2023 include:

BUDGET OUT LOOK FY 2023-2024

Department	Priorities	Constraints	Strategies
Education Technical training Innovations and Social Services	Improve access to quality ECDE services in the county	Lack of County Education Management Information system Low Budgetary allocation Lack of acess to Digital learning Low teacher pupil ratio Inequitable administration of learning activities	• Recruitment of ECDE teachers and Quality Assurance and Standards officers • Construction of ECD infrastructure. • Provision of Sustainable feeding program • Provision of teaching/learning materials and play equipment. • Develop and operationalize county ECDE policy and Act • In collaboration with MOE, identify, assess and place learners with disability in inclusive schools • Establish County Education information Management system
	Improve access to quality Vocational Education and Training in the county	Low uptake of Training opportunities. Lack of TVET Management Information system Low budgetary allocation Limited Awareness on available training opportunities	• Recruitment of VTC trainers and Quality Assurance and Standards officers • Construction of VTC infrastructure • Provision of training /instructional materials, tools and equipment • Develop and operationalize county VET policy and Act • Establish TVET information Management system
	Promote access to innovation incubation and	Inadequate funding Lack of customized Policy Lack of innovation hubs engagement Framework on	• Equip innovation hub. • Awareness creation on available technologies for adoption • Establish innovation hubs in each sub county

	technology adoption		• Organize two innovation weeks in five years. • Establish career development offices • Establish production units in VTCs for income generation. • skills training on access to online employment
	Enhance access to social protection services	Disconnect between data on VAC in CPIMS (Child Protection management Information System) and KHIS Weak coordination and implementation structures for the vulnerable groups – teenage mothers, drug and substance abusers, the aged, PWDs Lack of County Child and Social Protection policies Low uptake of entrepreneurship opportunities Enforcement of disability friendly services Inadequate staff for social and child protection services	• Strengthening of family promotion and protection • Promote child participation • Promote investment and entrepreneurship among communities for participation in socio economic activities • Mainstream issues of disability in all sectors • Establishment of childcare centers • Develop community resilience through economic empowerment • Develop a multi sectoral coordination of all social protection schemes • Establish County Bursary and Scholarships Management system

3.2.12 HEALTH SERVICES

Budget Review FY 2022/2023

In the FY 2022/2023, the Department of Medical Services, Public Health and Sanitation (Health Sector) was allocated KSh. 3,589,540,420 in the beginning of the financial period. During the year, a supplementary variance of (14,564,956) was passed by the County Assembly essentially capping the sector's operating budget to KSh. 3,574,975,464.

The Sector implemented 8 programs as illustrated in the table below

Program Name	Printed Estimate	Supplementary Estimates	Total Payment commitments	Balance
1. County and Sub County Hospitals	151,200,000	33,900,000	73,431,713	111,668,287
2. General Administration and Human Resource Management	2,979,750,761	(54,378,431)	2,900,553,991	24,818,339
3. Health Policy	1,950,000	(1,571,500)	30,000	348,500
4. Jaramogi Oginga Odinga Teaching and Referral Hospital	160,000,000	-	110,000,000	50,000,000
5. Kisumu County Referral Hospital	60,560,000	-	60,559,969	31
6. Mental Health	664,000	(423,500)	-	240,500
7. Primary Health Care	231,180,459	5,393,675	92,640,551	143,933,583
8. Reproductive Maternal and Child Health	4,235,200	2,514,800	3,800,000	2,950,000
Grand Total	**3,589,540,420**	**(14,564,956)**	**3,241,016,224**	**333,959,240**

During the period under review the Sector achieved its sole objective of providing preventive, curative and rehabilitative healthcare and services to the population of Kisumu County according to the delineated devolved health sector functions and the executive order of the county government of Kisumu.

Pre-determined Objectives

The Pre-determined objectives shown in the table below summarizes the goal of the sector.

Program Name	Objective	Net Approved	Actual Expenditure	Outcome	Remarks
County and Sub County Hospitals	To Provide referral Curative services	185,100,000	73,431,713	The hospitals provided 141,736 in patient curative services and 3,020,836 outpatient	The network of hospitals provided curative consultations to the population in need
Jaramogi Oginga Odinga Teaching and Referral Hospital	To Provide Specialized curative services	160,000,000	110,000,000		

Kisumu County Referral Hospital	To Provide Specialized curative services	60,560,000	60,559,969	consultations	
Health Policy	To Provide Policy and Strategic Directions	378,500	30,000	Drafted 1. Annual Work Plan 2. Sector Working Group Report 3. CIDP III (Health Sector) 4. County Health Sector Strategic and Investment Plan III	These 4 documents(outcomes) are necessary for the Strategic, Operational and Tactical operations of the Sector
General Administration and Human Resource Management	To provide for the general administration and the management and development of the human resources for health	2,925,372,330	2,900,553,991	All health care workers and the Community health Volunteers were paid their salaries, allowances and stipends for the services they provided to the public	The Services provided by the health workers were appraised.

Mental Health	Reduce Mental Illnesses and restore mental wellness	240,500	240,500	Kisumu County Mental Health Strategy in draft	The amount unspent; the drafting of the Mental Health Strategy was supported by partners.
Primary Health Care	Provide high quality accessible health in communities	236,574,134	92,640,551	The Preventive service on Immunization attained 87% in the FY 2022/2023	The primary health Care provided for items that work directly to provide for Preventive and promotive health services and operations of the primary health facilities
Reproductive Maternal and Child Health	Reduce Maternal, neonatal, child and adolescent ill health	6,750,000	3,800,000	Attain Skilled Birth Attendance of 82%	Skilled birth attendance was targeted at 80%. An achievement of 82% is satisfactory measure of access of health service to women of reproductive age

Financing Review and Outlook

I. During the FY 2022/2023, the World Bank's Transforming Health System for Universal Health Coverage (THS-UCP) came to end date of implementation in June 2023 with a three-month extension of re-programmed activities to September 2023. The THS funds focused on maternal and child health services in addition to health systems activities to prepare the county for the implementation of the Universal Health Coverage.

II. The DANIDA funds for the Primary Health Centres will continue in the medium with conditions as will be promulgated from time to time.

III. The county health sector will continue to implement the facility improvement fund cost sharing framework to offset some expenditures at the health facilities based on their authorized expenditures of the funds realized by them by cost sharing from their clients.

IV. The Health Sector looks forwards to any subsidies as shall be communicated from time to time for the health sector transformation under the Bottoms up Transformation Agenda (BeTa) Policies of the new government of the republic.

V. All the Programs, activities and projects in the medium term are within the CIDP III and the Health Sector Strategic and Investment Plan III (2023-2027) as broken down and distributed in the respective Annual Development Plans and the Annual Work Plans.

The Current Budgetary Implementation

In the FY 2023/2024 the Health Sector was allocated KSh. 3,617,238,371 implement the following 12 programs as shown in the table below.

Program	Printed Estimate
1.Communicable and Non-Communicable Diseases	360,000
2. County and Sub-County Hospital Services	253,174,534
3. General Administration, Coordination, Leadership and Governance	423,646,001
4. Health Centres and Dispensaries	11,132,698
5. Human Resource for Health	2,728,154,740
6. Jaramogi Oginga Odinga Teaching and Referral Hospital	115,000,000
7. Kisumu County Hospital	42,000,000
8. Nutrition Services	2,000,000
9. Primary Health Care Services and Community Strategy	39,050,398
10. Reproductive,Maternal,Neonatal,Child and Adolescent health (RMNCAH)	1,760,000
11.Surveillance, Emergency Response and Epidemic Control	600,000
12. Syndemics Response and Management	360,000
Grand Total	**3,617,238,371**

Epidemiological Outlook

The outlook on disease burden and epidemiological outbreaks are expected not to significantly vary from the current disease burden and epidemiology. Unless another pandemic like the past COVID-19 strikes, we expect a rather calm outlook.

Health Sector Operational Outlook

In the Medium Term, the Health Sector will be implementing the Primary Health Care Networks with hubs, mini-hubs and spokes. Each ward will have a functional mini-hub, upon which nearly 80% of common diseases can be managed and also activated to be wellness Centres. These ward level hubs and mini-hubs will be rehabilitated, re-build and re-equipped to handle the challenges of functionality.

The County Health Sector will be guided by the Governor's legacy Manifesto, the Kenya Health Policy 2014-2030 and the Kenya Kwanza Government Policy on Health sector and the Bottoms Up Transformation Agenda.

3.2.13 SPORTS, CULTURE, GENDER AND YOUTH AFFAIRS

The Department of Sports, Culture, Gender and Youth Affairs is one of the Ten Departments forming the County Government of Kisumu.

The Department was formed after constant advocacy and lobbying by various stakeholders to form a department that directly addresses the issues of Youth, Women, Children and other vulnerable persons in the County. The Department plays a critical role in promotion of Sports and Talent Development as well as Youth and Women Empowerment, while Mainstreaming Gender programs/projects and preservation of Culture and Heritage within the County as a critical resource for growth and sustainable development. Bearing these concerns and prioritization in Governor's Manifesto the Department was created in 2022 during the Governor's Formation of the Second Executive Team in the second term (2022-2027) as The County Government of Kisumu

The department has two Directorates namely:

1. Culture and Gender
2. Sports and youth Affairs

Vision:

A productive County with equitable beneficial and inclusive sports, culture, gender and youth initiatives

Mission:

To promote sustainable development of youth women and PWDs in Kisumu County through effective promotion of sports, culture

gender and youth empowerment

Strategic Objectives

1. To improve financial, human capacity and internal systems for the implementation of the Sports, Culture, Gender and Youth programs in the County.
2. To identify, nurture, develop and promote talent in sports and culture
3. To develop and promote sports through investments in stadiums and infrastructure, building competitive teams throughout the county, cultivating sound administration and training
4. To promote youth empowerment programs for employability in the County.
5. To promote the prioritization of Gender programs and projects in the County.
6. To promote investment and utilization of culture and arts as a development avenue in the County.
7. To formulate policy and legal framework for Sports, Culture, Gender and Youth sectors.

During the year under review FY 2022/2023, the Department was allocated **57,339,925**This amount included **KES 10,139,925** for recurrent expenditures, **KES 25,121,198** for personal emolument and **KES 47,200,000** for development.

In the year under review, the Department made significant achievements in the implementation of its programs and development projects. Different directorates made significant improvement in budget absorption rate. These achievements are outlined in directorate specific reports as below;

Directorate of Culture and Gender

The directorate in its bid to fulfill its core programs managed to implement a number of programs and support the development of the creative and gender sector during the year under review. In order to promote Talent Development, Human Rights and Cultural Diversity for Prosperity the directorate organized the First Kisuma Arts and Cultural Festival, auditions were held in al the eight sub-counties and The Grand Finale was held at the Jaramogi Oginga Odinga Sports Ground. The county assembly also passed the Culture and Arts policy which was a key achievement for the department. The directorate also held the annual County/Kenya Music and Cultural festival and the best groups from Kisumu participated at the national festivals in Kitui County.to promote film the directorate in partnership with Naweza films organized for the African film and TV workshop where we managed to train 200 youths in the film sector. The directorate also commenced renovation works at Kit Mikayi Heritage Site. Under Gender the directorate organized and planned for The International Women's Day.in partnership with the

common wealth for learning (COL) the directorate conducted an internal County wide Gender Audit.

Directorate of Sports and Youth Affairs

The directorate coordinates the identification, development and management of sports talent development in the County. In the period under review Kisumu County hosted the annual KICOSCA games, the department played a key role in planning and organizing for a successful tournament. To further nurture and develop talents, the directorate of sports continued to sponsor and facilitate Kisumu all-stars football club to participate in the Kenya national super league. The directorate facilitated the participation of the Kisumu County Para volley team to national Para volley games in Eldoret. The directorate also facilitated the supply and delivery of Sports Gears in two wards namely Kondele ward and west seme ward.

The Department further conducted a Youth Capacity Building on devolved opportunities and financial literacy training in Seme and Nyakach Sub-Counties. This was an exercise that was done at ward level and reached over 800 Youth

BUDGET OUTLOOK FY2023-2024

DEPARTMENT	PRIORITIES	CONSTRAINTS	STRATEGIES
Sports, Culture, Gender &Youth Affairs	- Development of the Creative sub-sector - Promotion of Kisumu County as a film making destination - Preservation of Cultural heritage - Sports Talent Development - Sports Infrastructure Development - Human Resource development	- Limited budget ceilings - Unforeseen natural calamities - Global economic dynamics - Insufficient manpower - Unreliable release of funds by National Government - Misconception about clear Gender and youth programs and /or duplication of functions with the National government**.**	-Development and refurbishment of heritage sites -Training of staff -Public- Private partners -Refurbishment of Moi Stadium and other community sports facilities -Coordination of grassroot sport talent identification and development.

	- Disability sports development - Gender mainstreaming - Development of Policy and legal framework development - Development of safe houses.	- Misunderstanding on the role of Gender in County Development viz-a-viz the meaning of Gender and Women. - -Low morale among youth engaged in sports due to lack of resources for promotion of sports	-Development of Disability wellness center -Streamline Departmental programs to enhance service delivery. -Increase budgetary allocation for equipping and /or upgrading of Sport infrastructure to include in-door games facilities and outdoor games to offer Sporting tourism employability and self-sustenance -Construction and equipping of safe houses.

CHAPTER FOUR

4.1 Resource Allocation Framework

4.1.1 Adjustment to 2023/2024 Budget

The County actual local revenue collection was at 54% of the budgeted amount. It is noted that the underperformance in local revenue collection for the month of August and September was due to Planned Elections of August 2022 which culminated to low collection of Revenues.

The County Government has engaged the Kisumu county Revenue Board which shall oversee the collection, Coordination, management and realization of the approved owned source revenue. It's therefore, reasonable to anticipate that the budgeted revenue for financial year 2023/2024 will grow. This will adjust the budgeted County's own source revenue to approximately Kshs 2,282,844,694 (Source: Approved Kisumu county Budget 2023/2024).

4.1.2 Medium-Term Expenditure Framework (MTEF)

In the medium term, the following reforms will be undertaken;

1) Enhancing revenue mobilization by;

✓ Institutionalizing the e-revenue,

✓ Fast - track County Property Valuation Roll.

✓ Deployment of staff and enhancing revenue collection and enforcement mechanisms where and when necessary to cover those areas which had not been covered before.

2) Expenditure rationalization

✓ Prepare realistic budget

✓ Ensure timely procurement for goods and services

✓ Conduct proper market survey before procurement to realize value for money

 Timely execution of budget

3) Expenditure efficiency and effective implementation of budget programs by strengthening the following:

i. Rolling out of IFMIS to all departments

ii. Enhancing implementation of E-procurement

iii. Training of personnel on use of Hyperion module in preparation of budgets

iv. Preparation of MTEF program-based budgets through Hyperion module of IFMIS

v. The county will post on its website the programs and projects proposed in the financial year 2023/2024 budget. This will significantly reduce the cost of advertisement.

vi. The county will enhance the capacity of the Directorate of Revenue to ensure efficiency in revenue collection.

vii. The county will ensure strict adherence and guidelines to General accepted accounting standards and the PFM Act 2012.

4) Roll out training on the use of financial operations and process manual.

5) Investing in Primary Health Care through 'Marwa', nurturing care framework for early childhood development, investing in food production and Market access infrastructure (access roads), will in the long term contribute to Household savings.

6) Creation of Conducive social and economic environment in order to encourage innovation, investment, growth and expansion of Economic and employment opportunities.

7) In line with the submissions by the public during public participation fora the county government will:

i. Progressively increase budgetary allocations in the provision of water, Health and sanitation services. Improvement of road networks will also be considered.

ii. Promote diversification of farming enterprises to increase food production, value addition and profitability in order to ensure food security.

8) Promote effective cascading of devolution to the lowest level including fully established village councils for better service delivery and enhanced rural economic development.

9) Ensure inclusive provision of socio-economic safety nets through the following:

i. Grassroots support and development program e.g provision of boda boda shades and car wash machines

ii. Provision of Primary Health care through 'Marwa' to indigenous residents.

Table 4: Total Expenditure Ceiling for the MTEF period 2023/2024 – 2024/2025

			PROJECTIONS				**PROJECTIONS**	
S/No			**Approved Budget**			**CFSP Ceiling**		
			2023/24	**2024/25**	**2025/26**	**2023/2024**	**2024/2025**	**2025/2026**
1	Finance Economic	**Sub total**	**2512.7**	**2,713.72**	**3,540.80**	**2,457.60**	**2,654.2**	**2,866.54**

	Planning & ICT Services	Rec Gross	1390.6	1,501.85	1,605.50	957.6	1,034.2	1116.9446
		Dev Gross	1122.1	1,211.87	1,935.30	1,500.00	1,620.0	1749.6
2	Medical Services Public Health & Sanitation	**Sub total**	**3617.1**	**3906.47**	**4186.8**	**3527.9**	**3,810.1**	**4114.943**
		Rec Gross	3381	3,651.48	4,010.40	3,341.90	3,609.3	3,898.0
		Dev Gross	236.1	254.988	176.4	186	200.9	217.0
3	Sports, Culture, Gender & Youth Affairs	**Sub total**	**318**	**343.44**	**171.4**	**146.2**	**157.9**	**170.5277**
		Rec Gross	191	206.28	102.6	73.6	79.5	85.8
		Dev Gross	127	137.16	68.8	72.6	78.4	84.7
4	Infrastructure, Energy & Public Works	**Sub total**	**761.3**	**822.204**	**887.98**	**459**	**495.7**	**535.3776**
		Rec Gross	251.1	271.188	292.883	110.8	119.7	129.2
		Dev Gross	510.2	551.016	595.0973	348.2	376.1	406.1
5	Public Service, County Administration & Participatory Development, Office of the Governor	**Sub total**	**1061.5**	**1146.42**	**1238.13**	**598.4**	**646.272**	**697.9738**
		Rec Gross	1003	1083.24	1169.899	598.4	646.3	698.0
		Dev Gross	58.5	63.18	68.2344	0	-	-
6	Trade, Tourism Industry & Marketing	**Sub total**	**392.5**	**423.9**	**302.1**	**240.7**	**260.0**	**280.7525**
		Rec Gross	117.4	126.792	140.7	110.1	118.9	128.4
		Dev Gross	275.1	297.108	161.4	130.6	141.0	152.3
7	Lands, Physical Planning, Housing and Urban	**Sub total**	**571.2**	**616.896**	**666.248**	**306.2**	**330.7**	**357.1517**
		Rec Gross	121.2	130.896	141.3677	74.7	80.7	87.13008

	Development	Dev Gross	450	486	524.88	231.5	250.0	270.0
8	Agriculture, Food, Livestock and Fisheries	**Sub total**	**933.5**	**1008.18**	**1088.83**	**255.8**	**276.3**	**298.3651**
		Rec Gross	284.8	307.584	332.1907	188.3	203.4	219.63312
		Dev Gross	648.7	700.596	756.6437	67.5	72.9	78.732
9	Education, Technical Training, Innovation and Social Services	**Sub total**	**919.7**	**993.276**	**1072.74**	**768.9**	**830.4**	**896.845**
		Rec Gross	718.9	776.412	838.525	593.7	641.2	692.49168
		Dev Gross	200.8	216.864	234.2131	175.2	189.2	204.4
10	Water, Environment, Natural Resources & Climate Change	**Sub total**	**525.9**	**567.972**	**363.6**	**306.9**	**331.5**	**357.9682**
		Rec Gross	159.8	172.584	146.3	107.1	115.7	124.92144
		Dev Gross	366.1	395.388	217.3	199.8	215.8	233.0
11	City of Kisumu	**Sub total**	**760.7**	**821.556**	**887.28**	**411.5**	**444.4**	**479.9736**
		Rec Gross	463.4	500.472	540.5098	327.3	353.5	381.76272
		Dev Gross	297.3	321.084	346.7707	84.2	90.9	98.2
12	County Assembly of Kisumu	**Sub total**	**1134.5**	**1225.26**	**1323.28**	**917.5**	**990.9**	**1070.172**
		Rec Gross	969.5	1047.06	1130.825	767.5	828.9	895.212
		Dev Gross	165	178.2	192.456	150	162.0	175.0
13	County public service Board	**Sub total**	**103.2**	**111.456**	**120.372**	**88.8**	**95.9**	**103.5763**
		Rec Gross	103.2	111.456	120.3725	88.8	95.9	103.57632
		Dev Gross	0	0	0	0	-	-
	TOTAL		**13,611.80**	**14,700.74**	**15,849.57**	**10,485.40**	**10,677.96**	**11,532.20**

NB-All values are in Kshs. Millions.

4.2 BUDGET FRAMEWORK FOR FY 2023/2024

The 2023/2024 budget framework is set against the background of the updated medium-term fiscal framework set out above. MTEF builds up on the national government's efforts to stimulate and sustain economic activities and positioning on a suitable growth pattern. This will be achieved through implementation of programmes and projects that will be outlined in the CIDP 2022- 2027. The formation of Kisumu County Revenue Board will lead to particular emphasis on aggressive revenue mobilization including policy measures to bring in additional revenue, identifying other alternative sources of funding and reign on expenditures to restrict its growth. Real gross domestic product (GDP) expanding by 6.8 %, 5.2% and 4.7% in the first, second and third quarters respectively, driven by broad-based increases in services and industry. This recovery was dampened by global commodity price shocks, the long regional drought, and uncertainty in the run up to the 2022 general elections

The growth prospect is underpinned by continued prospect of good performance across all sectors of the economy especially in areas of the Big Four Agenda namely: Health, Agriculture, Housing and Food Production. The macroeconomic indicators showed mixed performance during the 2022. Inflation rose to an average of 8.7% in the third quarter, 7.16% in the second quarter and 5.34% in the first quarter of 2022 mainly due to increased prices of food and non-alcoholic beverages, transport and energy. Similarly, the ongoing drought and the cost-of-living increases affected households throughout the country. The agriculture sector contracted by 1.5% in the first half of 2022 and, with the sector contributing almost one fifth of GDP, its poor performance slowed GDP growth by 0.3%. A recent rapid response phone survey that monitors the impact of shocks on households shows a rise in food insecurity, most severely in rural areas where over half of households reduced their food consumption in June 2022. Most households reported an increase in prices of essential food items and with many being unable to access core staples, such as beans or maize. In response to the inflationary pressures, the Central Bank of Kenya (CBK) has raised the policy rate thrice since May 2022 by a cumulative 175 basis points to reach 8.75%.

The delays in exchequer disbursement for the financial year 2022/2023 resulted into an opening balance of 1.45 billion for the financial year 2022/2023 which was however, factored in the approved budget 2023/2024.Significantly over the same period and therefore dampened the overall growth in 2022/2023.

4.3 REVENUE PROJECTIONS

The 2023/2024 budget targets a percentage increase in local revenue collection of 63% net of the opening balance. As noted above, this performance will be underpinned by ongoing reforms in revenue administration. Therefore, total revenues including allocation from national share are expected to be Ksh. 12.16 Billion excluding opening balances of Ksh. 1.45 billion.

Table 5: Proposed Budget Revision and Projections for the MTEF 2023/2024-2025/2026

REVENUE STREAMS	APPROVED BUDGET		
	2023/2024	2024/2025	2025/2026
Balance b/d 1.07.23	1,450,625,819	-	-
EQUITABLE SHARE	8,361,797,770	9,030,741,592	9,753,200,919
KRB	896,372	968,082	1,045,528
Kenya Devolution Support Programme (world bank)	12,742,939	13,762,374	14,863,364
TVET	8,332,281	8,998,863	9,718,773
Africities	40,000,000	43,200,000	46,656,000
Allocation for court fines	233,000	251,640	271,771
PRACTICE	28,269,703	30,531,279	32,973,782
DANIDA	36,380,926	39,291,400	42,434,712
Aquaculture Business Development Project (ABDP)	15,407,244	16,639,824	17,971,009
ASDSP 11	5,367,707	5,797,124	6,260,893
IDA (World Bank Credit to Finance Agricultural Value Chain Development Project NAVCDP)	250,000,000	270,000,000	291,600,000
Kenya Climate Smart Agriculture Project (KCSAP)	139,274,117	150,416,046	162,449,330
Kenya Urban Support Program (KUSP) – Urban institutional Grant	2,339,915	2,527,108	2,729,277
KISSIP	600,000,000	648,000,000	699,840,000
Finance Locally -Led Climate Action Plan (FLLOCA)	111,000,000	119,880,000	129,470,400

Conditional Grant for Aggregated Industrial Parks Programme	100,000,000	108,000,000	116,640,000
For Devolution Advice & Support(IDEAS)	3,898,833	4,210,740	4,547,599
Livestock Value Chain Support Project	14,323,680	15,469,574	16,707,140
THS	10,699,473	11,555,431	12,479,864
Climate Change	17,950,658	19,386,711	20,937,648
Common Wealth of Learning Credit Information	706,500	763,020	824,062
Conditional Grant for Provision of Fertilizer Subsidy Programme	120,042,858	129,646,287	140,017,990
TOTAL SHARE OF NATIONAL REVENUE	**11,330,289,795**	**12,236,712,979**	**13,215,650,017**
LOCALLY COLLECTED REVENUE			
Market fees	153,026,826	165,268,972	178,490,490
Parking Fees	131,000,000	141,480,000	152,798,400
Reserved slot	9,000,000	9,720,000	10,497,600
Bus park	182,234,036	196,812,759	212,557,780
Monthly Stickers	46,251,150	49,951,242	53,947,341
Clamping Fees	500,000	540,000	583,200
Rents	63,844,894	68,952,486	74,468,684
Land rates	327,090,635	353,257,886	381,518,517
Trade license fees	260,000,000	280,800,000	303,264,000
Building plans	4,000,000	4,320,000	4,665,600
Signboard promotion etc.	204,493,194	220,852,650	238,520,861
Stock Ring	5,000,000	5,400,000	5,823,000
Sundry	20,000,000	21,600,000	23,328,000
Liquor Licenses	40,000,000	43,200,000	46,656,000
Public Health and Others	6,000,000	6,480,000	6,998,400
CESS	27,139,013	29,310,134	31,654,945
SUB TOTAL MAIN REVENUE STREAMS	**1,479,579,748**	**1,597,946,129**	**1,725,772,818**
OTHER REVENUE SOURCES			

Health	600,000,000	648,000,000	699,840,000
Agriculture, Food, livestock and fisheries	8,220,606	8,878,254	9,588,515
Tourism, Culture, Arts and Sports	2,000,000	2,160,000	2,332,800
Education, Human Resource development and Technology	500,000	540,000	583,200
Lands, Housing & Physical Planning	159,944,340	172,739,887	186559078
Revenue from Payroll	30,000,000	32,400,000	34992000
Environment	2,500,000	2,700,000	2916000
Governance and Administration	100,000	108,000	116640
TOTAL REVENUE FROM OTHER SOURCES	**803,264,946**	**867,526,141**	**936,928,233**
GROSS LOCALLY COLLECTED REVENUE	**2,282,844,694**	**2,465,472,270**	**2,662,701,051**
GRAND TOTAL	**13,613,134,489**	**14,702,185,249**	**15,878,351,068**

Note: Others in locally collected revenue include; leasing Roads Equipment, and Environment (Pollution, Nuisance and Administration charges).

4.4 EXPENDITURE FORECASTS

In view of the trend of expenditure in FY 2022/2023 and adjustments in both revenue and expenditure, Budget for FY 2023/2024 is expected to be Kshs13.61 billion which will be funded by, opening balance of Kshs.1.465 billion and approved budget of Ksh. 12,162,508,670.

Recurrent expenditures are expected to be 67.25% of the total expenditure, hence sparing 32.75% for development.

Expenditure ceilings on goods and services for departments will adhere to the allocations in the FY 2023/2024 with cognizance of the demands and priorities of the County government as contained in the Governor's 10-point manifesto, national government agenda (The Big Four Agenda), CIDP, ADP and CFSP.

It should be noted therefore that the CFSP ceilings for the financial year 2023/2024 did not include the opening balances for that financial year.

CHAPTER 5

5.1 CONCLUSIONS

The Kisumu CBROP 2022 is being prepared against the continued backdrop of a slowdown in the growth of the global economy. The pandemic and the war between Russia and Ukraine have led to contraction of the global economy disrupting businesses including international trade and leading to loss of livelihoods for millions of people globally, Kenya has not been spared.

The pandemic and the containment measures have not only disrupted our ways of lives and livelihoods but to a greater extent also businesses. From the analysis of this paper, it is evident that the County Government generally complied with the principles of fiscal responsibility.

With the formation of the revenue Board, the county will also strengthen its revenue collection and management systems with the goal of generating more revenues to strive towards budgetary self-reliance. Fiscal discipline will be important in ensuring proper management of funds and delivery of expected output. Effective and efficient utilization of funds by the various departments will be crucial in ensuring the county delivers her functions. Plans and Programme are strictly adhered to achieve the objectives of the government.

DETAILS OF PROJECTS

1. CENTRAL KISUMU

S/No	Name Of Project	Department	Amount	Status
1	murraming of Penstate-Rambara Road	Roads,Transport and Public Works	2,500,000	complete
2	Dairy Cows	Agriculture,Livestock and Fisheries	2,500,000	done
3	One day old chicks	Agriculture,Livestock and Fisheries	2,000,000	done
4	Feed for the Chicks	Agriculture,Livestock and Fisheries	2,000,000	done

2. NORTH KISUMU

S/No	Name Of Project	Department	Amount	Status
1	Completion of Bar-Kobondo -Sidika access road	Roads	3,800,000	complete
2	Completion of Alara ECDE	Education,Human Resource Development and ICT	800,000	complete
3	Construction of Dago Thim ECDE	Education,Human Resource Development and ICT	1,700,000	complete

3. NORTH WEST KISUMU

S/No	Name Of Project	Department	Amount	Status
1	Completion of Lela Market	Trade,Energy and Industry	5,000,000	Not started
2	Floodlight at Nyawita Market	Trade,Energy and Industry	2,000,000	ongoing

3	Odundu Box Culvert	Roads,Transport and Public Works	4,000,000	complete
4	Completion of Odundu Bridge	Roads,Transport and Public Works	2,000,000	complete
5	Grading and Marruming of Kowade-Orongo-Nyabera road	Roads,Transport and Public Works	2,500,000	complete
6	Construction of 30 thousand litre water tank at Eshivalu	Water,Environment and Natural Resources	2,300,000	complete
7	Extension of Eshivalu water Projects to Orongo	Water,Environment and Natural Resources	3,000,000	complete
8	Continuation of Maseno ATC renovation	Agriculture,Livestock and Fisheries	3,000,000	complete
9	Completion of Dago Kotiende dispensary	Health and Sanitation	2,000,000	complete
10	Installation of solar panels at Chulaimbo County Hospital	Health and Sanitation	2,900,000	Not started

4. SOUTH WEST KISUMU

S/No	Name Of Project	Department	Amount	Status
1	Completion of Got Puth Water Project	Water,Environment and Natural Resources	1,500,000	!00% done
2	Equipping of Ongalo Nyawara Water Project	Water,Environment and Natural Resources	1,500,000	20% done
3	Completion of Achuodho Beach Management Unit (BMU) Banda	Agriculture,Livestock and Fisheries	1,200,000	70% done
4	Electrical Installation – Nyitienge Dispensary	Health and Sanitation	500,000	Not done
5	Completion of Ongalo Dispensary	Health and Sanitation	1,500,000	100% done
6	Completion of Uradi Dispensary	Health and Sanitation	2,600,000	Not done

5. WEST KISUMU

S/No	Name Of Project	Department	Amount	Status
1	Completion of Ulalo ECDE	Education,Human Resource Development and ICT	1,000,000	complete
2	Construction of Malier ECDE	Education,Human Resource Development and ICT	1,700,000	complete

6. MIGOSI

S/No	Name Of Project	Department	Amount	Status
1	Kenya Re to bridge	Water,Environment and Natural Resources	2,000,000	Completed
2	Construction of Ablution Block at Ezra Gumbe ECDE	Education,Human Resource Development and ICT	2,000,000	On going

7. NYALENDA B

S/No	Name Of Project	Department	Amount	Status

8. CHEMELIL

S/No	Name Of Project	Departmemt	Amount	Status
1	Crush Pens	Trade,Energy and Industry	519,000	Done
2	Isolation Unit	Trade,Energy and Industry	239,000	Done
3	Purchase of Generator	Trade,Energy and Industry	4,982,893	Done
4	Achego Kojowi Kongudi Access Road	Roads,Transport and Public Works	3,000,000	Complete
5	Ogen Dispenary Maternity Wing completion and Septic Tank	Health and Sanitation	3,000,000	Ongoing
6	Completion of Nyangore Dispensary	Health and Sanitation	3,000,000	Completed

7	KDDC (additional allocation for stocking agrovet and working on water supply)	Chemelil/Tamu	2,487,917	Ongoing
8	Hay for the constructed haybans (stocking of haybans)	Chemelil	1,949,925	Complete
9	Civil works at KDDC	Chemelil	1,639,400	Complete

9. MASOGO/NYANGÓMA

S/No	Name Of Project	Department	Amount	Status
1	Kamrika-Kangindo Road	Roads,Transport and Public Works	2,000,000	Phase 1 Done
2	Completion of Orago Water Project	Water,Environment and Natural Resources	2,000,000	Phase 1 done
3	Ronovation of Masaka Dispensary	Health and Sanitation	1,000,000	Completed

10. MIWANI

S/No	Name Of Project	Department	Amount	Status
1	Completion of Olasi ECD Classroom	Education,Human Resource Development and ICT	1,200,000	Not Done
2	Completion of Miranga Dispensary	Health and Sanitation	3,700,000	Completed

11. MUHORONI/KORU

S/No	Name Of Project	Department	Amount	Status
1	Completion of God Nyithindo dispensary (Electrical Works and Fencing)	Health and Sanitation	2,500,000	Stalled
2	Electrical works and equipping Koru Dispenasry	Health and Sanitation	3,000,000	Not Done

12. OMBEYI

S/No	Name Of Project	Department	Amount	Status
1	Improvement and Murraming of Kotura Ramula Gonglo road	Roads,Transport and Public Works	4,000,000	Complete
2	Opening and improvement of Kawandoi Manacha ring Road	Roads,Transport and Public Works	4,000,000	Complete
3	Lielango Drainage	Water,Environment and Natural Resources	2,000,000	Complete
4	Kasese Works Phase 2 (Drainage, Dykes, lagoon, electricity, Shades)	Water,Environment and Natural Resources	6,500,000	Complete
5	Completion of Obiayo ECDE Classroom	Education,Human Resource Development and ICT	1,200,000	Complete
6	Completion of Ramula Male Ward	Health and Sanitation	2,000,000	Ongoing

13. EAST KANO WAWIDHI

S/No	Name Of Project	Department	Amount	Status
1	Off Kisii Road to Kochieng JICA Bridge to Odenya to Nyachoda Primary School	Roads,Transport and Public Works	4,000,000	Not yet done
2	Drilling and Equipping of Waradho Borehole	Water,Environment and Natural Resources	2,500,000	ongoing
3	Wawidhi water project	Water,Environment and Natural Resources	2,000,000	ongoing
4	Fencing and putting Pit Latrine at Ogango Health Center	Health and Sanitation	2,000,000	Completed and handed over to community

14. KOLWA EAST

S/No	Name Of Project	Departments	Amount	Status
1	Obino primary school-Ka Mama Sara Kajaramba Road	Roads,Transport and Public Works	4,600,000	Not done
2	Floor tiling of buoye ECD (Repair and Maintenance)	Education,Human Resource Development and ICT	600,000	Completed
3	Construction of 2 ECDE classroom at Nyaimbo	Education,Human Resource Development and ICT	3,100,000	Not done. Contractor never reported to site.
4	Completion of Anywang' 2 ECD classrooms	Education,Human Resource Development and ICT	2,800,000	Completed.

15. KOLWA CENTRAL

S/NO	Name	Department	Amount	Status
1	Rae Kanyaika- Nyayamo road	Roads,Transport and Public Works	5,000,000	Completed
2	Lakers Opuche to Auji	Water,Environment and Natural Resources	2,000,000	2km done mbeme - jamilo done.

16. KAJULU

S/No	Name Of Project	Department	Amount	Status
1	Guba-Kamonge Accesss road	Roads,Transport and Public Works	3,200,000	Poorly done, contractor not on site.
2	Renovation of Slaughter House	City of Kisumu	10,000,000	On going. City has the details. Admins not involved.

17. MANYATTA B

S/No	Name Of Project	Department	Amount	Status

18. NYALENDA A

S/No	Name Of Project	Department	Amount	Status
1	Completion of Dago Community Hall	Tourism,Culture,Arts and Sports	3,000,000	Completed
2	Completion of Kowino Maternity Wing	Health and Sanitation	4,000,000	The work is ongoing. Contractor on site.

19. AHERO

S/No	Name Of Project	Department	Amount	Status
1	Posta Kasida road	Roads,Transport and Public Works	3,000,000	Completed
2	Kanam obedo road	Roads,Transport and Public Works	2,700,000	Completed
3	Kodindo kochogo AIC road	Roads,Transport and Public Works	2,800,000	Completed
4	Kogello road	Roads,Transport and Public Works	2,700,000	Completed
5	Embankment of kamasiko stream	Water,Environment and Natural Resources	2,200,000	Completed
6	Embankment of kodhiambo/kowito stream	Water,Environment and Natural Resources	2,300,000	Completed
7	Completion of Ombaka ECDE	Education,Human Resource Development and ICT	1,000,000	Completed
8	Completion of Obugi ECDE	Education,Human Resource Development and ICT	1,700,000	Completed
9	Completion of Nyamasogo ECDE	Education,Human Resource Development and ICT	1,700,000	Completed

10	Kaluoch Adhier Dispensary	Health and Sanitation	3,500,000	Completed

20. AWASI/ONJIKO

S/No	Name Of Project	Department	Amount	Status
1	Kanyipola Water Project	Water,Environment and Natural Resources	2,500,000	completed
2	Construction of Kochieng Steel Ring	Roads,Transport and Public Works	2,500,000	completed
3	Kamunda water project	Water,Environment and Natural Resources	3,000,000	ongoing
4	Okiro Water Project	Water,Environment and Natural Resources	2,500,000	Not completed

21. KABONYO/KANYAGWAL

S/No	Name Of Project	Department	Amount	Status
1	Kadete-Osakia access road	Roads,Transport and Public Works	3,500,000	Complete and was closed out
2	Kanyagwal dispensary	Health and Sanitation	1,500,000	Ceiling,tiling and electrical wiring done
3	Purchase of Medical Equipment for Ugwe dispensary	Health and Sanitation	2,000,000	Not coplete
4	Operationalization and mainatanace of rice mill	Agriculture,Livestock and Fisheries	3,000,000	Was never supplied
5	Obonge dispensary	Health and Sanitation	3,000,000	Project stalled at the lintel level.

22. KOBURA

S/No	Name Of Project	Department	Amount	Status
1	Kawuonda HTCA church kogoto access road	Roads,Transport and Public Works	3,000,000	Completed and handed over
2	Kaluore Water Project	Water,Environment and Natural Resources	2,500,000	Contractor abandoned site
3	Construction of ECDE Nyamkebe Primary School	Education,Human Resource Development and ICT	1,700,000	Project is ongoing
4	Construction of Lela VTC	Education,Human Resource Development and ICT	7,300,000	Compteted and handed,closed out and handed over

23. CENTRAL SEME

S/No	Name Of Project	Department	Project Sum	status
1	Improvement of Walter Nyangum Road	Roads,Transport and Public Works	4,000,000	in use
2	Osio-Ajulu Water Point- Piping and Solar Installation	Water,Environment and Natural Resources	1,000,000	in use
3	Construction of Pap Othany VTC	Education,Human Resource Development and ICT	6,700,000	Site Handed But Construction Not Yet Done

24. EAST SEME

S/No	Name Of Project	Department	Project Sum	status
15	Development of walkways, nature trails and completion of fencing at Kit Mikai	Tourism,Culture,Arts and Sports	2,000,000	Ongoing
16	Kaloka High mast floodlight	Trade,Energy and Industry	2,000,000	Done

17	Grading and Murraming of Kamagore Sunga Road	Roads,Transport and Public Works	2,500,000	Complete
18	Openning and Murraming of Yawo Kojuki-Pundo Kamwalo Access Road	Roads,Transport and Public Works	2,500,000	Complete
19	Grading and Murraming of Kidi Achiel St. Rita Nyaguda Road	Roads,Transport and Public Works	2,500,000	Complete
20	Completion of Kabeta Magada road	Roads,Transport and Public Works	3,000,000	Complete
21	Odero road	Roads,Transport and Public Works	2,500,000	
22	Namba Kapiyo-Guu Kabege Access Road	Roads,Transport and Public Works	3,000,000	
23	Fish Cages for Kit Mikayi Kama Association	Agriculture,Livestock and Fisheries	2,800,000	Stalled
24	Completion of maternity wing Miranga Sub County Hospital	Health and Sanitation	2,000,000	Complete
25	Completion of Nyadado Dispensary	Health and Sanitation	5,000,000	Complete
26	Fencing and Latrine at Malela Dispensary	Health and Sanitation	2,500,000	Complete
27	Fencing and Latrine at Nyadado Dispensary	Health and Sanitation	2,500,000	Complete
28	Rehabilitation of front office, exhibition room and construction of open theatre	Tourism,Culture,Arts and Sports	4,000,000	Ongoing

25. NORTH SEME

S/No	Name Of Project	Department	Project Sum	status
1	Construction of Aora Ondiek II box culvert	Roads,Transport and Public Works	4,300,000	Complete
2	Awino Jack Audi Yonah Access Road	Roads,Transport and Public Works	3,000,000	On Going
3	Improvement of Kondik- Mariwa Access Road	Roads,Transport and Public Works	6,000,000	Complete
4	Improvement of Ratta-Lung'a access Road	Roads,Transport and Public Works	4,000,000	Complete
5	Purchase of Barkorwa Land for Market	Lands,Housing,Physical Planning and urban development	4,000,000	Not done
6	Solarising of St. Barnabas girls Sec. Sch borehole	Water,Environment and Natural Resources	2,000,000	Ongoing

26. WEST SEME

S/No	Name Of Project	Department	Project Sum	status
1	Floodlight at Kitare Market	Trade,Energy and Industry	2,000,000	Complete
2	Equiping of Ridore secondary school borehole	Water,Environment and Natural Resources	2,000,000	Not done
3	Devlopment of proposed Agriculture Training Centre in Seme Sub County	Agriculture,Livestock and Fisheries	5,000,000	Done to scope of work
4	Supply of Furniture and water Tank ay Nyandeje Dispensary	Health and Sanitation	700,000	Incomplete
5	Supply of Medical Equipments at Oseure Dispensary	Health and Sanitation	1,500,000	Incomplete
6	Floodlight at Kitare Market	Trade,Energy and Industry	2,000,000	Complete

27. KONDELE

S/No	Name Of Project	Department	Amount	Status
1	Renovation of Kosawo hall	City of Kisumu	4,200,000	Stalled
2	Purchase of revenue skips for Kondele East and West	City of Kisumu	3,400,000	Su[pplied
3	Purchase of waste Bins (waste management programme)	City of Kisumu	3,400,000	Done
4	Equipping and improving of Kosawo fittness centre	City of Kisumu	1,800,000	Operational
5	Completion of Kosawo Health Centre	Health and Sanitation	12,500,000	On Going
6	Completion of Kosawo Health Centre	Health and Sanitation	7,500,000	On Going

28. MARKET MILIMANI

S/No	Name Of Project	Department	Amount	Status
1	Unblocking of Drainages with Kisumu Bus Park	City of Kisumu	1,500,000	Complete
2	Rehabilitation of City Court	City of Kisumu	4,000,000	Not yet done
3	Rehabilitation of Grace Onyango Social Centre	City of Kisumu	2,000,000	Not yet done
4	Completion of Chichwa Market (Fixing doors)	City of Kisumu	5,000,000	Not yet done
5	Equipping of Rotary (Business Innovation Centre)	City of Kisumu	10,000,000	Not yet done

29. RAILWAYS

S/NO	NAME OF PROJECT	DEPARTMENT	AMOUNT	STATUS
1	Civil works at Uhuru Business Park	City of Kisumu	2,000,000	Complete
2	Culverts and Drainage at Uhuru Business Park	City of Kisumu	2,000,000	Complete
3	Completion of Obunga ECD	Education,Human Resource Development and ICT	700,000	Not done
4	Completion of Kudho ECD	Education,Human Resource Development and ICT	1,300,000	Complete

30. KALOLENI/SHAURIMOYO

S/No	Project Name	Department	Project Sum	Status(% Completion)
1	Rehabilitation and Equipping of Mama Ngina Children's Home	City of Kisumu	5,000,000	Complete

31. CENTRAL NYAKACH

S/No	Name Of Project	Department	Amount	Status
1	Construction Of Pap Onditi Market	Trade,Energy And Industry	15,000,000	Project Wasn't Handed Over To Contractor
2	Okanowach-Koromo-Omwaga Road	Roads,Transport And Public Works	2,500,000	Only Opened And Graded Upto Koremo

32. North Nyakach

S/No	Name Of Project	Department	Amount	Status
1	Completion Of Rae Mixed-Ochwado Road	Roads,Transport And Public Works	2,500,000	Complete As Per Boq
2	Construction Of Atoyiengo-Nyamanyinya Bridge Leading To St Aloys Gem Sec And North Nyakach Chief Camp(Box Culvert)	Roads,Transport And Public Works	5,000,000	Complete As Per Boq
3	Construction Of Ecde Classroom At St. Alloys Primary School	Education,Human Resource Development And Ict	1,650,000	On Going
4	Completion of Katito Vocational Training Dormitory	Education,Human Resource Development and ICT	2,000,000	Complete As Per Boq
5	Completing And Equipping Of Michura Dispensary	Health And Sanitation	2,500,000	COMPLETE AS PER Boq
6	Completion Of Maraba Dispensary	Health And Sanitation	3,000,000	COMPLETE AS PER Boq

33. SOUTH EAST NYAKACH

S/No	Name Of Project	Department	Amount	Status
1	Nyamaroka-Papndege-Bodi Road	Roads,Transport And Public Works	3,000,000	COMPLETE AS PER Boq
2	Kolum-Achego Road	Roads,Transport And Public Works	3,000,000	COMPLETE AS PER Boq

34. SOUTH WEST NYAKACH

S/No	Name Of Project	Department	Amount	Status
1	Radienya-Kadola Road	Roads,Transport And Public Works	2,000,000	COMPLETE AS PER Boq
2	Okemba Road	Roads,Transport And Public Works	3,000,000	COMPLETE AS PER Boq

35. WEST NYAKACH

S/No	Name Of Project	Department	Amount	Status
1	Completion Of Kodingo/Kusa Health Center	Health And Sanitation	1,200,000	COMPLETE AS PER Boq
2	Completion Of Okano-Wach Dispensary	Health And Sanitation	2,000,000	ON GOING AS PER Boq
3	Completion Of Nyadina Dispensary	Health And Sanitation	2,000,000	COMPLETE AS PER Boq
4	Construction Of Oneno Nam Dispensary	Health And Sanitation	4,000,000	COMPLETE AS PER Boq

MACHINE BASED PROJECTS-ROADS

S/ No	Road Name	Ward	% Completion	Remarks
1	Holo-Amiyo-Nyochieno access road	West Kisumu	30	only drainage opening carried out
2	Kolewe Junct. - Usare Access Rd	South West Kisumu	75	Ongoing
3	Wadhgwen access road	North West Kisumu	100	Completed
4	Otodo Rota - Rota Pri. Sch. Access Road	South West Kisumu	75	Ongoing
5	Ongalo-Mariwa	South West Kisumu	50	Ongoing
6	Matopeni - Gatundu Junction access road	Chemelil	0	No activity carried out so far
7	Homalime-Kopiyo access road	Muhoroni/Koru	50	Ongoing
8	Kopere -ACK Church atiang` access road	Chemelil	100	Completed
9	Lake Basin-Kajapelu Opondo Dola access road	Muhoroni/Koru	100	Completed
10	Tonde - Omolo - Donde Access Road	Muhoroni/Koru	100	Completed
11	Chemelil Academy-Achego Sec.School access road	Chemelil/Tamu	45	Grading Complete,
12	Muhoroni Town Roads	Muhoroni/Koru	45	The road needs more gravelling and drainange works
13	Off Kombewa/Wang`arot Highway-Nyatigo-Pith Kochiel access road	West Seme	100	All the planned activities carried out
14	St Ritta-Koduogo access Road	East Seme	75	Culverts intallation yet to be carried out
15	Urudi-Kepha Odhiambo Agutu access road	North Seme	100	Completed
16	Kodera-Langi-Kambudi access road	East Seme	100	Completed
17	Pap Kamila-Babinju Church-Anjero Church Junction access road	North Seme	50	Ongoing

18	Off St Rita-Koduogo ring road	East Seme	100	Completed
19	Kona mbaya - Kochung` Japuonj access road	North Seme	75	Ongoing
20	Harambee Junction- Barkorwa access road	North Seme	75	Ongoing
21	Director Mourice Onyango Access Road	West Seme	100	Completed
22	Konam - Mayieka Access Road	West Seme	50	Ongoing
23	Junct. Ranen - Ranen Girls Sec. School Access Road	West Seme	50	Ongoing
24	Wathorego-Alango access road	Kajulu	100	Completed
25	Gita-Aredo access road	Kajulu	100	Completed
26	Ong`adi-Osiepe access road	Kajulu	70	Ongoing
27	Oriang` Primary school - Kanyasembo access road	Kajulu	70	Ongoing
28	Nyalunya Primary - Oland Ouko access road	Kolwa Central	75	Ongoing
29	Black Pearl-Gulf access road	Kolwa Central	100	Completed
30	Obuso-Nyaimbo-Olalo-Kakomo-Koluoch access rd	Kolwa East	50	Ongoing
31	Completion of Corner Buoye-Nyamria-Nyayamo market Kayengo-Evans Gundo-Kageng'o access road.	Kolwa East	70	Ongoing
32	Completion of Chiga Primary-Chiga market	Kolwa East	50	Ongoing
33	Manyatta Arabs access road	Railways		Ongoing
34	Juakali Nyuki-Lane access road	Railways	50	Ongoing
35	Kapuothe-Flood light access road	Nyalenda B	30	works should continue during dry spell since the insitu soil type is water logged.
36	Kisumu Day Sec. School highway Access Road	Kaloleni/Shaurimoyo	100	Completed
37	Ka DC - Ponge School Access Rd	Awasi/Onjiko	70	Ongoing
38	Kameya-Kambata-Bwanda sch. access road	Kabony /Kanyagwal	50	Not completed in FY 21/22
39	Withur Pri. School Access Road	Kabony /Kanyagwal	70	Ongoing
40	Kobura Pri. School-Kogonji foot bridge	Kobura	100	Completed

41	St. Meshack- Kaboyi Access Road	Kobura	75	Ongoing
42	Improvement of Rongo pri. School Access road	Kobura	100	Completed
43	Off Kobiero - Ogwedhi Pri. School-Olunge Access Road	East Kano/Wawidhi	75	Ongoing
44	Ka Water -Atoyiengo Box culvert-St. Aloyce Gem Sec. School Access Rd	North Nyakach	85	Ongoing
45	Rae - Kere Access Road	North Nyakach	70	Ongoing
46	Junct. Ndare-Siany Pri. Sch. - Keyo Pri. Sch. Ka kere Access Rd	South East Nyakach	50	Ongoing

COUNTYWIDE PROJECTS

S/NO.	PROJECT NAME	DEPARTMENT	LOCATION	AMOUNT IN KSH	PROJECT STATUS
1	Kasese works phase 2(drainage, dykes, lagoon electricity shades)	Water,Environment and Natural Resources	Muhoroni	6,500,000	Complete
2	Expansion of Nyakach water supply treatment works.	Water,Environment and Natural Resources	Nyakach	15,000,000	99% Complete
3	Kisumu County Climate Change Resource Centre	Water,Environment and Natural Resources	Countywide	10,000,000	0% Complete
4	Borehole Casing	Water,Environment and Natural Resources	Countywide	17,000,000	Complete
5	ASDSP (Jubilee and obunga fish descaling and filleting unit)	Agriculture,Irrigation,Livestock and Fisheries	Market milimani and railway	5,000,000	Complete
6	KCSAP	Agriculture,Irrigation,Livestock and Fisheries	North Nyakach, east kano wawidhi, Kolwa east, east kano wawidhi	139,310,370	Complete

7	Rehabilitation of Gem rai irrigation scheme, Chiga irrigation scheme, awach kano irrigation scheme , Siany CS3	Agriculture,Irrigation,Livestock and Fisheries			
8	Purchase and distribution of fingerlings	Agriculture,Irrigation,Livestock and Fisheries	County wide	2,000,000	Complete
9	Supply and delivery of fish feed	Agriculture,Irrigation,Livestock and Fisheries	Seme, Kisumu east and Kisumu west	997,500	Complete
10	Supply of live saver jackets	Agriculture,Irrigation,Livestock and Fisheries	Kisumu west	999810	Complete
11	Procurement of vaccines	Agriculture,Irrigation,Livestock and Fisheries	County wide	3,191,000	Complete
12	Construction of Oneno Nam Dispensary	Health and Sanitation	County wide	4,000,000	100
13	Construction of new incinerators-Nyakach and Muhoroni Sub counties	Health and Sanitation	countywide	8,000,000	5
14	Completion of Maternity at Pap Onditi	Health and Sanitation	County wide	10,000,000	0
15	Completion and equipping of JOOTRH Cancer Care Centre	Health and Sanitation	County wide	60,000,000	0
16	Feeding Programme	Educvation,Human Resource Development	County Wide	16,899,894	Delivered
17	ECD Capitation	Educvation,Human Resource Development	County Wide	20,000,000	Learning Materials Delivered

18	Upgrading Streetlight	City of Kisumu	City	9,000,000	Complete
19	Rehabilitation of streetlights	City of Kisumu	City	7,000,000	Complete
20	Upgrading Streetlight in estates	City of Kisumu	City	5,000,000	Complete
21	Drainage works within the estates	City of Kisumu	City	30,000,000	Complete
22	Construction of Governor's residence	Public Service & Administration	Countywide	45,000,000	60% complete
23	IDEAS	Trade,Tourism and Industry	Countywide	500,000.00	Not Done
24	Rural Electrification (REREC)	Trade,Tourism and Industry	Countywide	35,000,000.00	Not Done
25	Enterprise Fund	Trade,Tourism and Industry	Countywide	25,000,000.00	Not Done
26	Equipping and Installation at Kochieng Tomato Plant	Trade,Tourism and Industry	Countywide	1,063,168.00	Done
27	Construction of Toilet and Biodigester at Kochieng Tomato Plant	Trade,Tourism and Industry	Countywide	2,500,000.00	Done
28	KDDC	Trade,Tourism and Industry	Countywide	1,600,000.00	Done

REPUBLIC OF KENYA



COUNTY GOVERNMENT OF KISUMU

OFFICE OF THE COUNTY EXECUTIVE FINANCE AND ECONOMIC PLANNING

FY 2021/2022 BUDGET IMPLEMENTATION REPORT

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LEGAL BASIS FOR THE BUDGET IMPLEMENTATION REPORT

The Budget Implementation report is published pursuant to Section 166 of the Public Finance Management Act 2012.

(1) Section 166. (1) An accounting officer for a county government entity shall prepare a report for each quarter of the financial year in respect of the entity.

(2) In preparing a quarterly report for a county government entity, the accounting officer shall ensure that the report;

(a). contains information on the financial and non-financial performance of the entity; and

(b). Is in a form determined by the Accounting Standards Board

(3). Not later than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the County Treasury.

(4). Not later than one month after the end of each of quarter, the County Treasury shall,

(a). Consolidate the quarterly reports and submit them to the county assembly.

(b). Deliver copies to the Controller of Budget, National Treasury and the Commission on Revenue Allocation; and

(c). publish and publicise them

(5). In the case of an entity that is a county corporation the accounting officer for the corporation shall also submit a copy of the quarterly report to the County Executive Committee member responsible for the corporation, who, upon approving it shall submit a copy to the County Treasury.

FOREWORD

Pursuant to article 183 of the Constitution, the County Executive Committee is mandated to manage and coordinate the functions of the County administration and its departments and make regular reports to the County Assembly about the county. Additionally, Section 166 of the Public Finance Management Act 2012 requires Accounting Officer to prepare and submit timely quarterly reports which shall be published and shared with the Controller of Budget, the National Treasury and the Commission of Revenue Allocation.

The financial information (expenditure and revenue) is critical for determining the costs and efficiencies of programmes/objectives/activities while non-financial information is equally important for assessing progress towards predetermined service delivery or performance targets. This report indicates budget implementation performance of all the departments for the financial year 2021/2022. The report is based on analysis of financial and non-financial performance submitted to the County Treasury, financial reports generated from the Integrated Financial Management Information System (IFMIS) and financial information analysed from financial receipts from National Treasury. Further, the report highlights the key challenges encountered by the departments during budget implementation and suggested measures to address the challenges. The information on implementation of the budget is presented on aggregate and on individual department. This report also includes performance trends, which is a useful trajectory of revenue and expenditure performance.

The information herein is useful to our stakeholders including; policy makers, County Legislators, analysts, and the general public. While successful budget implementation depends on a number of factors within and outside of government, public participation and effective monitoring of its implementation remain critical principles. It is my hope that this report will generate interest and participation by the public and other stakeholders in monitoring budget implementation by this administration.

I urge all stakeholders to constructively engage the Government in order to improve prudence in utilization of public funds.

GEORGE O. OKONG'O

COUNTY EXECUTIVE COMMITTEE MEMBER – FINANCE AND ECONOMIC PLANNING

ACKNOWLEDGEMT

I am delighted to present this Fourth Quarter Budget Implementation Report for 2021/2022, which provides detailed information on the allocation of public resources among competing socio-economic needs. These Budget Implementation Reports serve as instruments through which the Departments can be held accountable for the expenditure and revenues they administer, and the realization of objectives of government as elucidated in the Governors manifesto.

The Budget Implementation Report is the product of meticulous analytical work conducted by the Directorate of Budget in collaboration with other departments. I commend the team for their hard work

Lastly, I advise all readers of this Report to continue to display active interest in government's ability to live up to its promises. This will serve as the necessary impetus for the efficient and effective management of government finances.

MR. WILSON ABIERO
Ag. CHIEF OFFICER FINANCE

OVERVIEW OF FY 2021/22 BUDGET

The County's Approved budget for FY 2021/2022 was Kshs. **12,146,176,297**, comprising of Kshs. **4,856,943,507** (40 percent) and Kshs. **3,582,366,673** (30 percent) and Kshs. **3,706,866,117** (31 percent) allocation for Personnel Emolument, Operation and Maintenance and Development programmes respectively. However, this was revised to **12,177,852,473** in the Supplementary Budget following an injection of **31,676,176** from EU-IDEAS. In terms of Economic Classification, the adjustments were made as follows; Personnel Emolument **5,187,615,327** (43%), Operation and Maintenance **3,263,435,853** (37%), and Development **3,726,801,293** (31%) To finance the budget, the County expected to receive Kshs. **8,026,139,240** as the equitable share of revenue raised nationally, Kshs**. 1,448,213,910** as total conditional grants, generate **1,984,000,003** from own sources of revenue, and a cash balance of **719,499,320** FY 2020/2021

FISCAL PERFORMANCE FOR THE YEAR 2021/2022

REVENUE ANALYSIS

The overall revenue performance for FY 2021/22 was 73 Per cent (Kshs 8,945,860,255) out of the total budgeted revenues of Kshs 12,177,852,473.

Table 1; Analysis of FY 2021/22 Revenue Performance

Revenue Source	Annual Revenue Allocation (in Kshs)	Actual Receipts	Budget Balance	Performance (%)
Equitable share	8,026,139,240	6,664,548,778	-1,361,590,462	83%
Conditional Grants	1,448,213,910	362,667,126	-1,085,546,784	25%
Sub total	**9,474,353,150**	**7,027,215,904**	**-2,447,137,246**	74%
Own Source Revenue	1,984,000,003	1,199,145,031	-784,854,972	60%
Sub Total	**1,984,000,003.00**	**1,199,145,031.25**	**-784,854,971.75**	60%
FY 2020/21 Reallocation Funds	719,499,320	719,499,320	0	100%
Total Revenues	**12,177,852,473**	**8,945,860,255**	**-3,231,992,218**	73%

Source of data; County Treasury

EQUITABLE SHARE, CONDITIONAL ALLOCATIONS, LOANS AND GRANTS

Table 2; Analysis of FY 2021/22 Exchequer releases

	Annual Budget Allocation (in Kshs)	Actual Receipts	Budget Balance	Performance
Opening balance from CRF A/C	719,499,320	719,499,320	-	100%
Equitable Share	8,026,139,240	6,664,548,778	(1,361,590,462)	83%
DANIDA	15,147,000	7,573,500	(7,573,500)	50%
KDSP (WORLD BANK)	108,555,555	82,682,844	(25,872,711)	76%
IDA (World Bank)-Kenya Climate Smart Agriculture Project (KCSAP)	389,664,699	160,534,810	(229,129,889)	41%
Sweden-Agricultural Sector Development Support Programs (ASDP)+Balance	49,829,918	25,298,410	(24,531,508)	51%
World Bank Grant for transforming health system	134,815,014	51,445,866	(83,369,148)	38%
EU-Ideas	66,778,340	31,676,176	(35,102,164)	47%
KISIP	300,000,000	-	(300,000,000)	0%
Conditional Allocations-Development of Youth Polytechnics	16,358,192	-	(16,358,192)	0%
IDA (World Bank) Kusp (UDG)	135,397,875	-	(135,397,875)	0%

IDA (World Bank) Kusp (urban Institutional Grant)	579,241	-	(579,241)	0%
SEACAP	7,128,450	3,455,520	(3,672,930)	48%
Conditional allocations for Rmlf	127,624,662	-	(127,624,662)	0%
Level 5 conditional Grant	96,334,964	-	(96,334,964)	0%
Total Share of National Revenue	**10,193,852,470**	**7,746,715,224**	**(2,447,137,246)**	**76%**

Source of data; County Treasury

LOCAL REVENUE COLLECTIONS

At the end of the financial year, the total own source revenues collected amounted to Kshs. 1,199,145,031 against a target of Kshs. 1,984,000,003 representing 60% performance. The Own source revenue performance registered a fall by 4% from Kshs 1,248,063,960 recorded in FY 2020/21, to Kshs 1,199,145,031 in financial year 2021/22. The fall was attributed to the tense political temperatures, business flight and Covid 19 variant waves in the country which disrupted economic activities in the county.

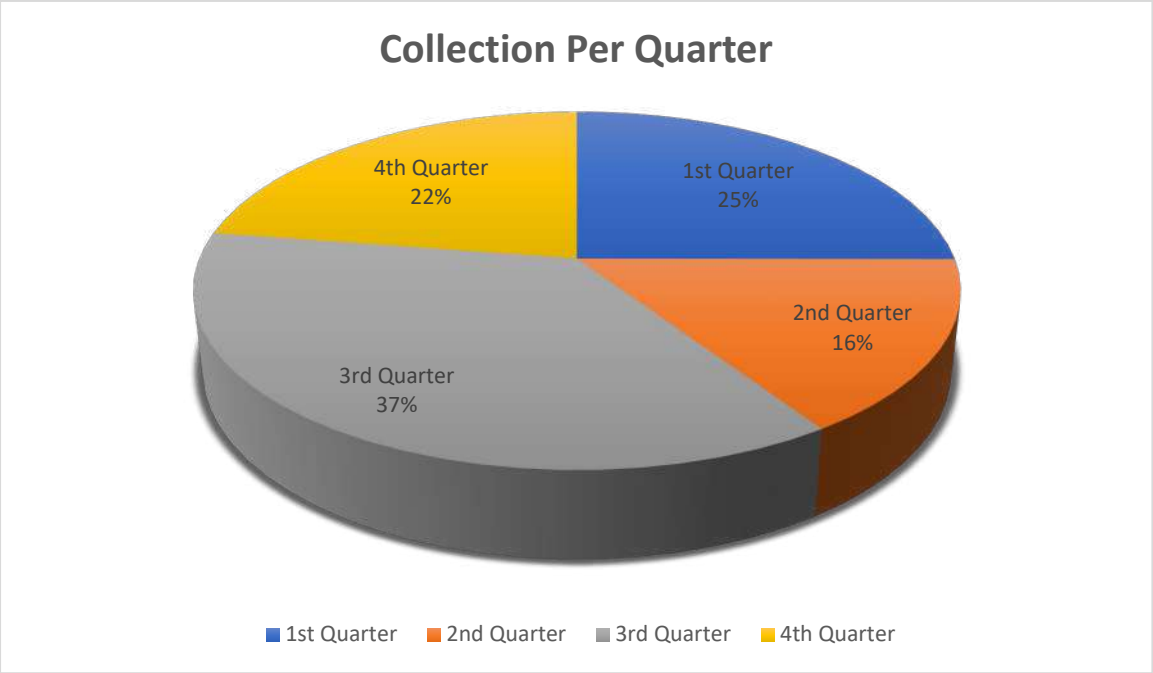
Table 3; Quarterly Own Source Revenue Collection

Locally collected Revenue	**Q1**	**Q2**	**Q3**	**Q4**	**TOTAL**
Revenue Streams					
Main Revenue Streams					
Land Rates	6,372,563	5,105,553	76,615,236	9,228,809	**97,322,161**
Rents	3,953,703	3,042,213	6,220,719	4,959,542	**18,176,177**
Trade license fees	14,681,052	5,367,036	117,416,837	36,562,496	**174,027,421**
Bus Park Fees	23,604,930	20,210,700	20,697,350	20,111,533	**84,624,513**
Parking Fees	12,464,920	8,879,970	7,638,132	9,207,294	**38,190,316**
Reserved slot	122,000	-	5,600,000	900,000	**6,622,000**
Monthly Stickers	7,418,020	6,852,260	9,206,992	6,904,590	**30,381,862**
Clamping Fees	46,000	51,500	57,501	63,000	**218,001**

Market Fees	15,242,925	15,099,440	14,817,275	14,553,270	**59,712,910**
Stock Ring	403,360	1,100,790	1,080,360	1,120,390	**3,704,900**
CESS	1,863,875	1,673,098	3,425,618	1,459,236	**8,421,827**
Building Plans	1,317,450	1,152,610	858,800	532,250	**3,861,110**
Sign Board promotion etc	15,972,591	12,190,738	64,298,077	31,192,926	**123,654,332**
Sundry revenue	1,694,132	846,345	4,913,555	1,379,900	**8,833,932**
Public Health and Others	852,300	797,650	1,422,830	1,198,850	**4,271,630**
Sub-Total	**106,009,821**	**82,369,903**	**334,269,282**	**139,374,086**	**662,023,092**
Revenue from Departments					
Health	172,035,377	90,394,537	88,839,704	100,783,067	**452,052,685**
Agriculture, Livestock and Fisheries	1,311,620	2,091,633	1,210,217	1,099,949	**5,713,419**
Commerce,Tourism, Trade and Heritage	585,580	315,800	380,950	93,940	**1,376,270**
Water	-	-	-	-	**-**
Lands, Housing and Physical Planning	4,928,950	2,885,600	7,155,309	8,010,221	**22,980,080**
Education,Youth,Culture and Sports	5,660	4,934	40,570	111,040	**162,204**
Industrialization and Enterprise Dev.	-	-	-	-	**-**
Liquor Licence	4,625,001	4,625,001	4,625,001	4,625,001	**18,500,004**
Energy & Mining	-	-	-	-	**-**
Environment	276,050	136,040	907,000	4,500	**1,323,590**
Roads, Transport and Public Works	535,800	117,600	252,800	-	**906,200**
Governance and Administration	4,800	-	-	-	**4,800**

Revenue from Payroll	10,016,776	5,006,919	2,512,065	16,566,928	**34,102,687**
Sub-Total	**194,325,614**	**105,578,064**	**105,923,616**	**131,294,646**	**537,121,939**
Total	**300,335,435**	**187,947,967**	**440,192,898**	**270,668,732**	**1,199,145,031**

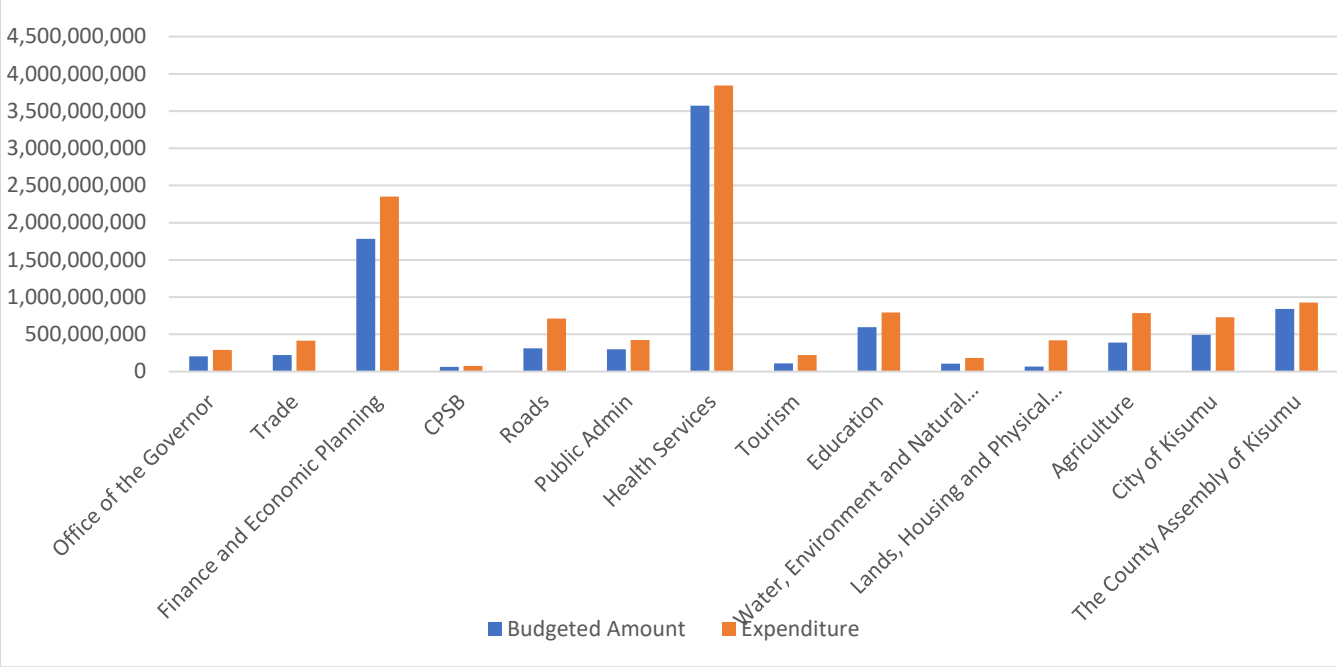
Source of data; County Treasury



Source of data; County Treasury

EXPENDITURE ANALYSIS

The total budget for the year under review was KSh. **12,177,852,473** The total Executive budget amounted to KSh. **11,248,535,017** while the County Assembly budget amounted to KSh **929,317,456**



Source of data; County Treasury

Table 4; Analysis of FY 2021/22 Departmental Expenditures

No.	Department	Economic Classification	Revised Budget Amount	Actual Expenditure	Vote Balance	Performance
1	**Office of the Governor**	**PE**	72,000,000	71,678,131	321,869	100%
		O&M	218,749,502	135,296,508	83,452,994	62%
		DEV	0	0	0	0%
		TOTAL	**290,749,502**	**206,974,639**	**83,774,863**	71%
2	**Trade**	**PE**	88,709,823	88,092,166	617,657	99%
		O&M	22,467,117	9,594,579	12,872,538	43%
		DEV	304,478,340	126,298,166	178,180,174	41%
		TOTAL	**415,655,280**	**223,984,911**	**191,670,369**	54%

3	**Finance and Economic Planning**	**PE**	333,501,711	333,501,711	0	100%
		O&M	1,089,870,880	863,914,917	225,955,963	79%
		DEV	927,749,190	586,160,066	341,589,124	63%
		TOTAL	**2,351,121,781**	**1,783,576,694**	**567,545,087**	76%
4	**CPSB**	**PE**	36,057,841	35,102,870	954,971	97%
		O&M	38,973,622	28,689,608	0	74%
		DEV	0	-	-	0%
		TOTAL	**75,031,463**	**63,792,478**	**954,971**	85%
5	**Roads**	**PE**	63,339,173	63,339,173	0	100%
		O&M	143,878,052	130,375,221	13,502,831	91%
		DEV	505,424,662	120,709,725	384,714,937	24%
		TOTAL	**712,641,887**	**314,424,119**	**398,217,768**	44%
6	**Public Admin**	**PE**	243,767,623	235,699,317	8,068,306	97%
		O&M	164,688,504	62,412,943	102,275,561	38%
		DEV	15,000,000	2,274,070	12,725,930	15%
		TOTAL	**423,456,127**	**300,386,330**	**123069797**	71%
7	**Health Services**	**PE**	3,058,295,156	3,051,364,542	6,930,614	100%
		O&M	642,237,465	478,744,178	163,493,287	75%
		DEV	144,200,000	41,034,579	103,165,421	28%
		TOTAL	**3,844,732,621**	**3,571,143,299**	**273,589,322**	93%
8	**Tourism**	**PE**	28,955,852	27,409,204	1,546,648	95%
		O&M	44,521,111	22,015,388	22,505,723	49%
		DEV	146,550,000	60,325,278	86,224,722	41%
		TOTAL	**220,026,963**	**109,749,870**	**110,277,093**	50%

9	**Education**	**PE**	361,167,651	360,840,988	326,663	100%
		O&M	221,827,305	160,276,282	61,551,023	72%
		DEV	210,899,894	75,273,570	135,626,324	36%
		TOTAL	**793,894,850**	**596,390,840**	**197,504,010**	75%
10	**Water, Environment and Natural Resources**	**PE**	72,806,433	60,711,579	12,094,854	83%
		O&M	36,137,095	23,289,841	12,847,254	64%
		DEV	74,950,000	20,604,510	54,345,490	27%
		TOTAL	**183,893,528**	**104,605,930**	**79,287,598**	57%
11	**Lands, Housing and Physical Planning**	**PE**	44,912,176	39,805,069	5,107,107	89%
		O&M	34,600,000	26,923,810	7,676,190	78%
		DEV	341,100,000	-	341,100,000	0%
		TOTAL	**420,612,176**	**66,728,879**	**353,883,297**	16%
12	**Agriculture**	**PE**	174,917,062	174,917,061	1	100%
		O&M	28,572,826	13,267,444	15,305,382	46%
		DEV	581,589,207	201,394,622	380,194,585	35%
		TOTAL	**785,079,095**	**389,579,127**	**395,499,968**	50%
13	**City of Kisumu**	**PE**	260,189,166	261,177,762	-988,596	100%
		O&M	146,590,578	80,231,941	66,358,637	55%
		DEV	324,860,000	152,034,808	172,825,192	47%
		TOTAL	**731,639,744**	**493,444,511**	**238,195,233**	67%

14	**The County Assembly of Kisumu**	**PE**	348,995,660	333,272,422	15,723,238	95%
		O&M	430,321,796	420,309,346	10,012,450	98%
		DEV	150,000,000	88,429,223	61,570,777	59%
		TOTAL	**929,317,456**	**842,010,991**	**87,306,465**	91%
	GRAND TOTAL		**12,177,852,473**	**9,066,792,618**	**3,100,775,841**	74%

Source of data; County Treasury

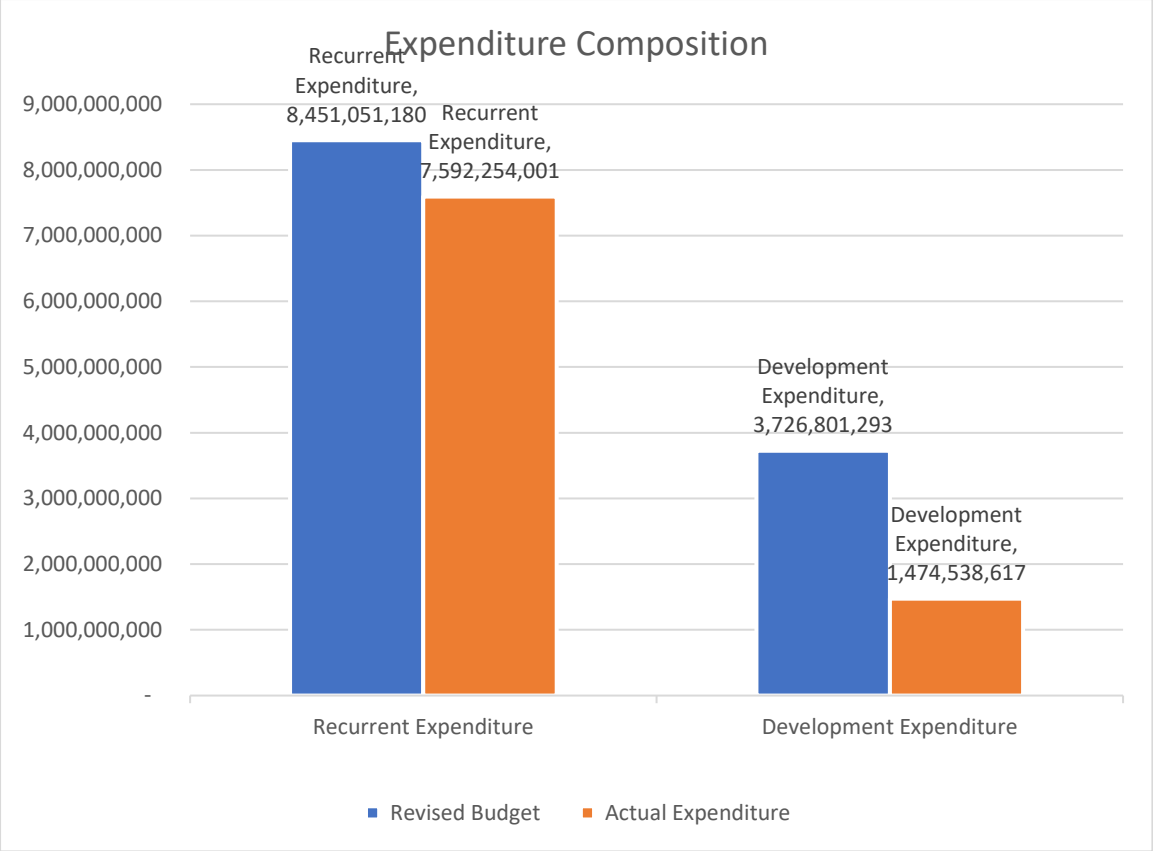
Recurrent expenditure accounted for 84 per cent while development activities accounted for 16 per cent of the total expenditure in the FY 2021/22.

Expenditure Composition Recurrent and Development

Table 5; Expenditure Composition Recurrent and Development

Expenditure Composition	**Revised Budget**	**Actual Expenditure**	**Perfomance**
Recurrent	8,451,051,180	7,592,254,001	90%
Development	3,726,801,293	1,474,538,617	40%
Totals	**12,177,852,473**	**9,066,792,618**	**74%**

Source of data; County Treasury



Source of data; County Treasury

Recurrent expenditure for FY 2021/22 amounted to KSh. 7,592,254,001 representing an absorption rate of 90 per cent and a development expenditure of KSh. 1,474,538,617 representing 40 per cent absorption rate. The overall absorption rate for the FY 2021/22 stood at 74 per cent.

Expenditure By Economic Classification

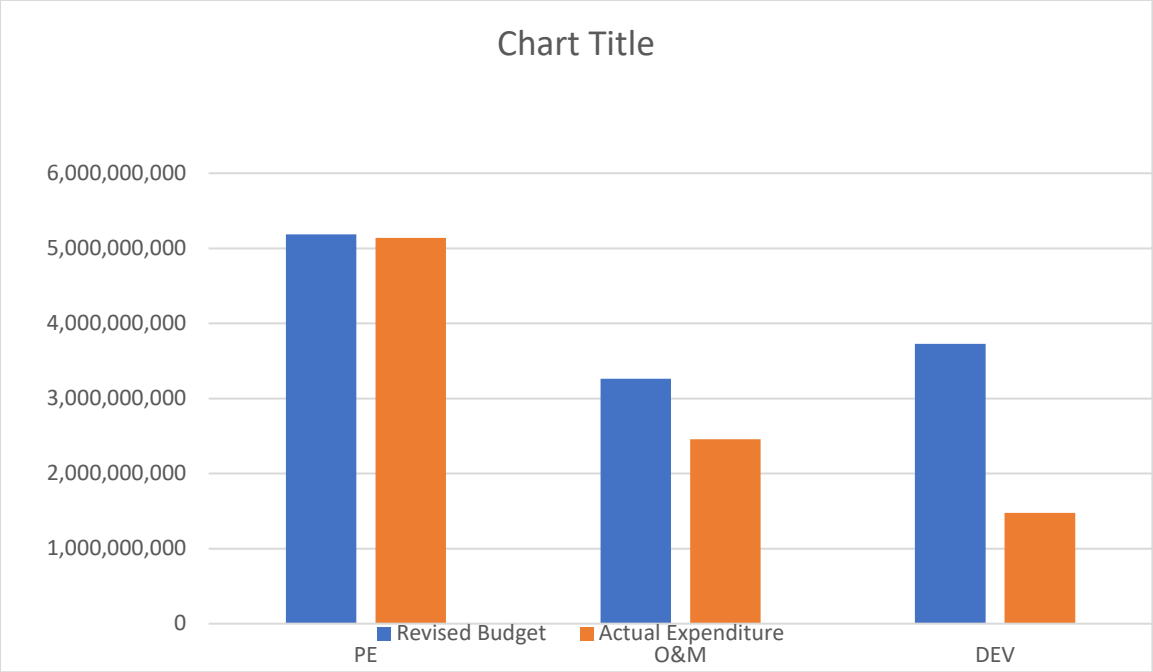
By 30th June 2022, the County had spent 99 per cent of the budgeted personnel emoluments budget. The operations and maintenance budget and development budget posted a 75 percent and 40 per cent absorption rate respectively.

Table 6; Expenditure by Economic Classification

Economic Classification	Revised Budget	Actual Expenditure	Performance
PE	5,187,615,327	5,136,911,995	99%
O&M	3,263,435,853	2,455,342,006	75%
DEV	3,726,801,293	1,474,538,617	40%

TOTAL	12,177,852,473	9,066,792,618	74%

Source of data; County Treasury



Source of data; County Treasury

CHALLENGES, LESSONS LEARN'T AND RECOMMENDATIONS

CHALLENGES

The following were challenges experienced during the implementation of FY 2021/22 Budget.

1. **Delay in processing and disbursement of funds** from National treasury thus hindering timely implementation of legal frameworks and projects hence contributing to a build-up of pending bills
2. **Human resource capacity gaps**: Understaffing, Inadequate succession management planning compounded by restrictions on new recruitment and natural attrition has resulted to shrinking workforce, shortage of skills thus translating to high workloads.
3. **Lack of deliberate intra and inter synergies by the Sector Actors** in projects planning and implementation. Absence of inter-departmental relations have been unable to create synergy towards faster project implementation and realization of results.
4. **Poor mainstreaming climate change issues across the sectors has hindered effectiveness creating resilience.** The effect of climate change is having a toll on the gains made by the county government across the sectors. Some of the notable effects are

unpredictable weather conditions such as inadequate rains leading to drought which negatively affected agricultural production and water supply, increase in pests and diseases incidences leading to low yield production.

5. **Weak implementation of policies and regulations**. Various county sectors have developed numerous policies, regulations and legal framework which have slowly being implemented so as to guide various sectoral activities, however there some important regulations which are yet to be passed and implemented in order to guide and enhance implementation of the sectoral functions.
6. **Emerging diseases** such as COVID 19 which has negatively impacted the efficient delivery of Government services. Slow/delayed program implementation as well and affected working mechanisms.

CONCLUSION

1. **Citizen engagement** through dialogue platforms for joint planning, monitoring and evaluating is critical for ownership of projects and promoting accountability and delivery of results hence it improves efficiency in prioritization and implementation of project activities.
2. **Strong inter-departmental relations** are necessary to create synergy towards faster project implementation and realization of results. This can be achieved through capacity building the sector working group members and insuring proper involvement and inclusion across the sectors. The sectorial plans should be guiding the identification of the development priorities within the county priorities. All county stakeholders and interested parties should be part of the multi-sectoral teams to ensure the implementation of a shared vision.
3. Enhanced resource mobilization and public private partnerships are key in addressing diminishing resources for the sector priorities.
4. **Readjustments in line with COVID -19 challenges**: There is a need to adjust to the prevailing conditions to ensure the proper delivery of government services.
5. **Effect of Climate Change:** Climate change-related interventions should be mainstreamed in all government projects/programs to ensure resilience, enhance productivity and mitigate any negative effects**.**

RECOMMENDATIONS

1. The multi-sectorial approach in project planning, budgeting, and implementation in Government is the only logical way to enhance synergies and cross-linkages for the relevant institutions/ departments.
2. Timely release of funds for efficient implementation of planned programs; it is important to ensure that disbursement of the exchequer is in line with the approved cash flow plans to minimize disruptions and delays in implementation of projects and programmes.
3. Develop and implement human resource management and development plan to align staffing needs and levels to core functions and mandate of the Public Service.
4. Designs of projects should guide during resource allocation to solve the problem of underfunding of projects as well funding of projects that are not feasible.
5. There is a need to strengthen collaboration and networking with relevant stakeholders as a way of improving performance.
6. Proper Planning and Budgeting: The Strategic plans, procurement plans and work plans will enable achieve the departmental targets as they provided a roadmap for the sectors. There is need for harmonization of work plans across the various partners working within a sector to avoid duplication of efforts.
7. The County Government needs to address gaps in policy and legislative frameworks to facilitate the attainment of sectoral objectives.

Safaricom PLC
Safaricom House,
Waiyaki Way,
P.O Box 46350,
Nairobi, Kenya
Tel:+254-20-427-3272

PIN NUMBER: P051129820X

VAT NUMBER: 0113241A

BILL TO:

COUNTY GOVERNMENT OF KISUMU REVENUE BOARD
2738
KISUMU

KISUMU

INVOICE DATE:	21-APR-26
INVOICE NO:	726900
ORDER NO:	
CUSTOMER NO:	1-491561014076
CUSTOMER PO NUMBER:	
CURRENCY:	KES

DESCRIPTION	QTY	UNIT PRICE	AMOUNT
BILLING OF SAAS (RMS REVENUE SHARE) UP UNTIL JANUARY 2026	1	13,546,887.00	13,546,887.00

Payment Terms :

Net Due in 30 Days

NO SALES TAX	0.00
VAT 16%	2,167,501.92
Total :	15,714,388.92

https://itax.kra.go.ke/KRA-Portal/invoiceChk.htm?actionCode=loadPage&invoiceNo=7462187630002453480

TAX INVOICE

Customer Number	1-541200419774
Customer KRA PIN Number	P051419196U
Tariff Plan	Corporate
Invoice Date	01/08/2025
Due Date	17/08/2025
Invoice Number	B1-30022081830
Subscriber Number	1-541200421822
Page Number	1 of 2
Period of Invoice	01/07/2025-31/07/2025

COUNTY GOVERNMENT OF KISUMU-SAAS JULY 24-MAY 25
P.O Box 2738 - 40100
KISUMU Kenya
KISUMU

One off Charge Safaricom Revenue Management System - Monthly Service Fee	23,227,300.00	
Total Recurring Charges	**Ksh**	**23,227,300.00**
Total Discounts	**Ksh**	**0.00**
Total Call Charges	**Ksh**	**0.00**
Total Other Charges	**Ksh**	**0.00**
Amount Excluding VAT and Excise Duty	23,227,300.00	
EXCISE - 15%	0.00	
Amount Including Excise Duty	23,227,300.00	
VAT - 16%	3,716,368.00	
Amount Due	**Ksh**	**26,943,668.00**

Date: 01/08/2025
TIS Serial No:KRAMW746202406218711
CU Invoice No:7462187115073664167

ITEMISED BILL

Customer Number		1-541200419774
Subscriber Number		1-541200421822
Statement Date		01/08/2025
Page Number		2 of 2
Amount Due	Ksh	26,943,668.00

COUNTY GOVERNMENT OF KISUMU-SAAS JULY 24-MAY 25
P.O Box 2738 - 40100
KISUMU Kenya
KISUMU

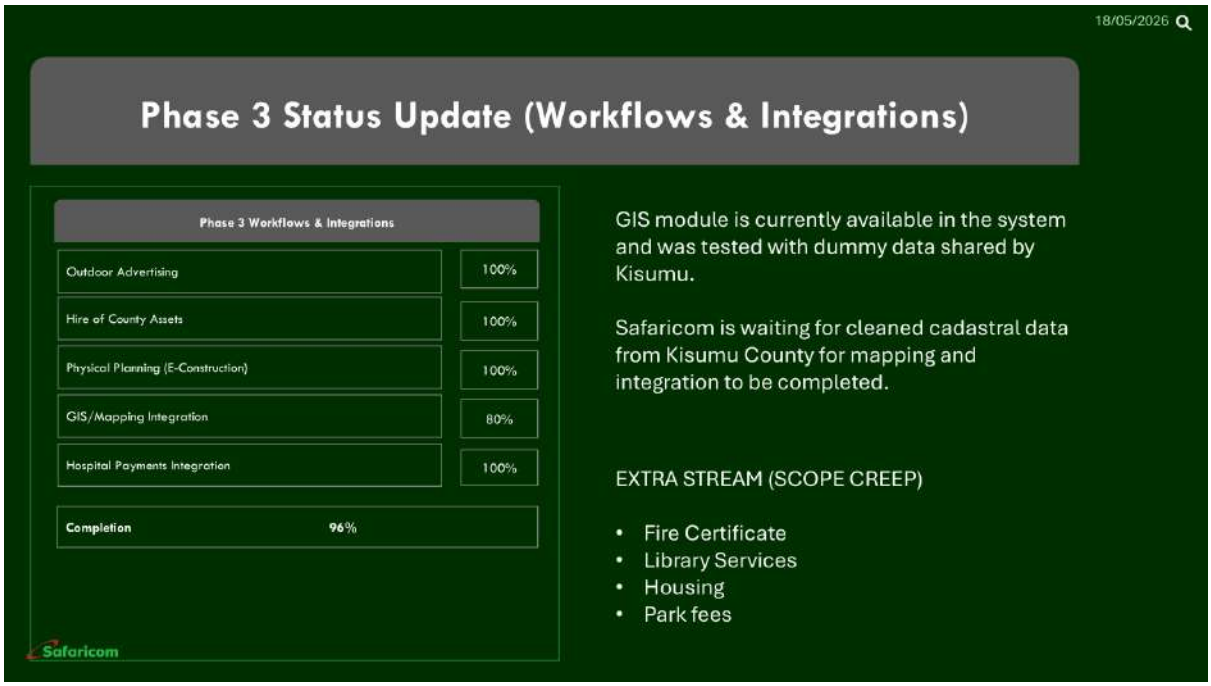
Date	Time	Dialled Number	Duration {HH:MM:SS} / Volume in Kb	Rate per Min {Ksh}	Call Charge {Ksh}
Digital Capabilities					
31/07/2025	12:34:31		Subscription	Subscription	23,227,300.00
	Total				23,227,300.00

Date	Time	Dialled Number	Duration {HH:MM:SS} / Volume in Kb	Rate per Min {Ksh}	Call Charge {Ksh}

Total Number of Calls		0
Total Duration of Calls		00:00:00
Total Call Charges	Ksh	0.00
Total Number of Free Calls		0
Total Duration of Free Calls		00:00:00
Total Number of Internet Sessions		0
Total Volume of Internet Sessions	Mb	0.00
Total Internet Sessions Charges	Ksh	0.00
Total Number of USSD Sessions		0
Total USSD Sessions Charges	Ksh	0.00

VAT Registration Number VAT: 0113241A PIN Number: P051129820X





C2 - Safaricom Internal

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Safaricom

DATED THE _____ DAY OF _____ 2023

COUNTY GOVERNMENT OF KISUMU

AND

SAFARICOM PLC

CONTRACT AGREEMENT FOR THE DESIGN, DEVELOPMENT, SUPPLY, DELIVERY, INSTALLATION, DEPLOYMENT, TESTING, TRAINING COMMISSIONING AND MAINTENANCE OF A FULLY AUTOMATED AND INTEGRATED COUNTY REVENUE MANAGEMENT SYSTEM

REPUBLIC OF KENYA

THE COUNTY GOVERNMENT OF KISUMU
DEPARTMENT OF FINANCE, ECONOMIC PLANNING & ICT (E-GOVERNMENT) SERVICES

CONTRACT AGREEMENT

This **CONTRACT AGREEMENT** is made on **31st October, 2023** between **THE COUNTY GOVERNMENT OF KISUMU, DEPARTMENT OF FINANCE, ECONOMIC PLANNING AND ICT (E-GOVERNMENT) SERVICES** whose registered office is situated at **P.O. Box 2738 – 40100, KISUMU** (hereinafter called "the Procuring Entity") on the one part and, **SAFARICOM PLC**, a corporation incorporated under the laws of Kenya and having its principal place of business at **P.O BOX 66827 WESTLANDS, NAIROBI** (hereinafter referred to 'VENDOR').

WHEREAS the Procuring Entity desires to engage the Vendor to design, develop, supply, install, achieve Operational Acceptance of, and support the following Information System [**Design, Development, Supply, Delivery, Installation, Deployment, Testing, Training Commissioning and Maintenance of a Fully Automated and Integrated County Revenue Management System**]

TENDER NO: CGK/FIN/OP/2023-2024/005 and NEGOTIATION N0: 1352785

("The System"), and the Vendor has agreed to such engagement upon and subject to the terms and conditions appearing below in this Contract Agreement.

1.0 WHEREAS

The County Government of Kisumu has expressed interest in design, development, supply, delivery installation, deployment, testing, training, commissioning and maintenance of a fully automated and integrated county revenue management system

a) As specified in the scope of work and terms of reference in the tender document herein referred to as ("the Solution").

b) The solution provider has accepted to design, develop, supply, deliver, install, deploy, test, train, commission and maintain a fully automated and integrated county revenue management system

c) The County Government of Kisumu has accepted and agreed with the terms of this agreement.

2.0 TERM OF THE AGREEMENT

a) The agreement shall commence on the commencement date and shall be valid for a term of THREE (3) years from the commencement date;

b) Notwithstanding clause 4.0 (a) the County Government of Kisumu may on its own decision renew this contract for a maximum period not exceeding THREE (3) years, provided that such intention to renew shall be communicated to the Safaricom PLC no later than THREE (3) months prior to the expiry of the term under clause 2.0 (a) and shall be subject to their acceptance which acceptance shall be in writing.

c) The following documents shall constitute the Contract between the Procuring Entity and the Vendor, and each shall be read and construed as an integral part of the Contract:

a) This Contract Agreement and the Appendices attached to the Contract Agreement
b) Tender Document
c) Letter of Award
d) Letter of Acceptance
e) Special Conditions of Contract
f) General Conditions of Contract
g) Technical Requirements (including Implementation Schedule)
h) The Vendor's response to tender and original Price Schedules

3.0 MATERILIZATION FEE

The County Government of Kisumu shall upon successful setup, installation and testing of backend resources, server infrastructure, third party systems, workflow processes modelling, legacy data migration, staff training both offline and online and through structured learning models and commissioning and maintenance of the fully automated and integrated revenue management system pay a sum total of **Kenya Shillings Forty Nine Million, Five Hundred and Fifty Six Thousand, Six Hundred and Seventy Six and Nine Cents Only-Inclusive of Taxes (Kshs. 49,556,676.09/-)** materialization fee to the Safaricom PLC in Three (3) phases as illustrated in Table 8.0.

4.0 NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

4.1 Definitions

In this agreement, the following terms shall have the meanings assigned to them hereunder and related expressions shall have corresponding meanings:

a) **"Agreement"** means this Agreement, including any schedules and attachment hereto, as may from time to time be amended:

b) **"Contract execution date"** means the day both Parties append their signature to this contract:

c) **"Commencement date"** means 1st December 2023 when Safaricom PLC has operationalized the 1st phase of the system:

d) **"Force Majeure"** means an event where circumstances occur which are beyond the reasonable control of County Government of Kisumu and/or the Safaricom PLC (including amongst other things, act of God, war, riot and/or other civil commotion but excluding strikes) which have the effect of materially impairing the performance by County Government of Kisumu or the Safaricom PLC (as the case maybe) of its obligations under this Agreement:

e) **"System"** means fully automated and integrated county revenue management system as per the OPEN TENDER by the Procuring Entity and the proposed response to the OPEN TENDER for the purposes of providing those services:

f) **"Business Day"** means Monday through to Friday, excluding banking holidays and national holidays in the Republic of Kenya:

g) **"Critical Fault"** means any fault that hinders or prevents the County Government of Kisumu or the Safaricom PLC from using a material part of the functionality of the solution in question:

h) **"Deliverable"** means design, development supply, delivery, installation, deployment, testing, training, commissioning, and maintenance of a fully automated and integrated county revenue management system by the Safaricom PLC (whether alone or jointly) in the course of providing the Services:

i) **"Documentation"** means the documents provided by the Safaricom PLC for the Solution. These may include technical specifications, program specification and operations manual:

j) **"Technical Requirements"** means the Technical Requirements as captured in the tendering documents.

k) **"Implementation Schedule"** means the Implementation Schedule as captured in the tendering documents or as otherwise provided by Safaricom.

l) **"System Provider/Vendor"** means the firm or Joint Venture whose tender to perform the Contract has been accepted by the CGK and is named as such in the Contract Agreement.

m) **"Subcontractor"** means any firm to whom any of the obligations of the System Provider/Vendor, including preparation of any design or supply of any Information Technologies or other Goods or Services, is sub contracted directly or indirectly by the System Provider/Vendor.

n) **"Contract Period"** is the time period during which this Contract governs the relations and obligations of the CGK and Safaricom PLC in relation to the System, as unless otherwise

specified in the SCC, the Contract shall continue in force until the Information System and all the Services have been provided, unless the Contract is terminated earlier in accordance with the terms set out in the Contract.

o) **"Defect Liability Period"** (also referred to as the "Warranty Period") means the period of validity of the warranties given by the Safaricom PLC commencing at date of the Operational Acceptance Certificate of the System or Sub system(s), during which the Safaricom PLC is responsible for defects with respect to the System (or the relevant Sub-system[s]) or may be provided for in this Agreement (Defect Liability).

p) **"The Coverage Period"** means the Days of the Week and the hours of those Days during which maintenance, operational, and/ or technical support services (if any) must be available.

q) **"The Post-Warranty Services Period"** means the number of years defined in the SCC (if any), following the expiration of the Warranty Period during which the Safaricom PLC may be obligated to provide Software licenses, maintenance, and/ or technical support services for the System, either under this Contractor under separate contract(s)

r) **"Information System,"** also called "the System," means all the Information Technologies, Materials, and other Goods to be supplied, installed, integrated, and made operational (exclusive of the System Provider/Vendor's Equipment), together with the Services to be carried out by the Safaricom PLC under the Contract.

s) **"Subsystem"** means any subset of the System identified as such in the Contract that may be supplied, installed, tested, and commissioned individually before Commissioning of the entire System.

t) **"Information Technologies"** means all information processing and communications-related hardware, Software, supplies, and consumable items that the Safaricom PLC is required to supply and install under the Contract.

u) **"Goods"** means all equipment, machinery, furnishings, Materials, and other tangible items that the Safaricom PLC is required to supply, or supply and install under the Contract, including, without limitation, the Information Technologies and Materials, but excluding the System Provider/Vendor's Equipment.

v) **"Services"** means all technical, logistical, management, and any other Services to be provided by the Safaricom PLC under the Contract to design, development, supply, install, customize, integrate, test, train and make operational the System. Such Services may include, but are not restricted to, activity management and quality assurance, design, development, customization, documentation, transportation, insurance, inspection, expediting, site preparation, installation, integration, training, data migration, Pre-commissioning, Commissioning, maintenance, and technical support.

w) **"The Project Plan"** means the document to be developed by the Safaricom PLC and approved by the Procuring Entity, pursuant to the tender document, based on the requirements of the

Contract and the Preliminary Project Plan included in the System Provider/Vendor's tender. The "Agreed Project Plan" is the version of the Project Plan approved by the Procuring Entity, in accordance with Vendor's tender. Should the Project Plan conflict with the Contract in any way, the relevant provisions of the Contract, including any amendments, shall prevail.

x) "**Software**" means that part of the System which are instructions that cause information processing Sub systems to perform in a specific manner or execute specific operations.

- "**System Software**" means Software that provides the operating and management instructions for the underlying hardware and other components, and is identified as such in the Contract Agreement and such other Software as the parties may agree in writing to be Systems Software. Such System Software includes, but is not restricted to, micro-code embedded in hardware (i.e., "firmware"), operating systems, communications, system and network management, and utility software.
- "**General-Purpose Software**" means Software that supports general-purpose office and software development activities and is identified as such in the Contract Agreement and such other Software as the parties may agree in writing to be General-Purpose Software. Such General- Purpose Software may include, but is not restricted to, word processing, spreadsheet, generic database management, and application development software.
- "**Application Software**" means Software formulated to perform specific business or technical functions and interface with the business or technical users of the System and is identified as such in the Contract Agreement and such other Software as the parties may agree in writing to be Application Software.
- "**Standard Software**" means Software identified as such in the Contract Agreement and such other Software as the parties may agree in writing to be Standard Software.
- "**Custom Software**" means Software identified as such in the Contract Agreement and such other Software as the parties may agree in writing to be Custom Software.

y) "**Source Code**" means the database structures, dictionaries, definitions, program source files, and any other symbolic representations necessary for the compilation, execution, and subsequent maintenance of the Software (typically, but not exclusively, required for Custom Software).

z) "**Materials**" means all documentation in printed or printable form and all instructional and informational aides in any form (including audio, video, and text) and on any medium, provided to the Contract.

- "**Standard Materials**" means all Materials not specified as Custom Materials.
- "**Custom Materials**" means Materials developed by the Safaricom PLC at the Procuring Entity's expense under the Contract and identified as such in the Contract Agreement and such other Materials as the parties may agree in writing to be Custom Materials. Custom Materials includes Materials created from Standard Materials.

aa) "**Intellectual Property Rights**" means any and all copyright, moral rights, trademark, patent, and other intellectual and proprietary rights, title and interests worldwide, whether vested, contingent,

or future, including without limitation all economic rights and all exclusive rights to reproduce, fix, adapt, modify, translate, create derivative works from, extractor re-utilize data from, manufacture, introduce into circulation, publish, distribute, sell, license, sub license, transfer, rent, lease, transmit or provide access electronically, broadcast, display, enter in to computer memory, or otherwise use any portion or copy, in whole or in part, in any form, directly or indirectly, or to authorize or assign others to do so.

bb) "**System Provider/Vendor's Equipment**" means all equipment, tools, apparatus, or things of every kind required in or for installation, completion and maintenance of the System that are to be provided by the System Provider/Vendor, but excluding the Information Technologies, or other items forming part of the System.

cc) **"Delivery"** means the transfer of the Goods from the Safaricom PLC to the CGK in accordance with the current edition Incoterms specified in the Contract.

dd) **"Installation"** means that the System or a Subsystem as specified in the Contract is ready for Commissioning as provided in this Contract Agreement (Installation).

ee) **"Pre-commissioning"** means the testing, checking, and any other required activity that may be specified in the Technical Requirements that are to be carried out by the Safaricom PLC in preparation for Commissioning of the System as provided in this Contract Agreement (Installation).

ff) **"Commissioning"** means operation of the System or any Subsystem by the Safaricom PLC following Installation, which operation is to be carried out by the Safaricom PLC as provided in this Contract Agreement (Commissioning), for the purpose of carrying out Operational Acceptance Test (s). Commissioning is the process of assuring that all systems and components of a system are designed, installed, tested, operated, and maintained according to the operational requirements of the owner (CGK).

gg) **"Operational Acceptance Tests"** means the tests specified in the Technical Requirements and Agreed Project Plan to be carried out to ascertain whether the System, or a specified Sub system, is able to attain the functional and performance requirements specified in the Technical Requirements and Agreed Project Plan, in accordance with the provisions of this Contract Agreement (Operational Acceptance Test).

hh) **"Operational Acceptance"** means the acceptance by the CGK of the System (or any Subsystem(s) where the Contract provides for acceptance of the System in parts), in accordance with this Contract Agreement (Operational Acceptance).

ii) **"Project Manager"** means the person named as such in the SCC or otherwise appointed by the CGK in the manner provided in this Contract Agreement (Project Manager) to perform the duties delegated by the Procuring Entity.

jj) **"Go Live"** shall mean the date the system is being used by CGK on production environment.

kk) **"Modification"** bears the same meaning as in the License and includes, for the avoidance of doubt, any maintenance release or new version which is acquired by the County Government of Kisumu:

ll) **"Non-Critical Fault"** means any fault in the Solution other than a Critical Fault:

mm) **"Infrastructure"** shall mean the systems (including software, hardware, services, and

networks) including the source codes.

nn) **Design** Shall include the system as defined which shall also include a monitoring and control center.

oo) **Fully Automated and Integrated County Revenue Management System** is to mean the designing, developing, supplying, delivering, installing, testing, deploying, training, commissioning, maintenance of the infrastructure.

pp) **"Ushuru Center"** means a central command and control center whose functions is to monitor revenue collection efforts, proactively address any issues arising as well as support citizen revenue collection services.

Abbreviated Terminologies: -

a) CGK means the County Government of Kisumu.
b) Safaricom PLC means the service provider.
c) GCC means General Conditions of Contract
d) SCC means Special Conditions of Contract
e) PWD means Persons With Disability.
f) ID means Identity
g) PSV means Personal Service Vehicle.
h) GIS means Geographic Information System
i) ADC - Alcoholic Drinks Control
j) ADC Act - An Act of Parliament to provide for the regulation of the production, sale and consumption of alcoholic drinks, to repeal the Chang'aa Prohibition Act, the Liquor Licensing Act and for connected purposes.
k) USSD means Unstructured Supplementary Service Data
l) SMS means Short Message/Messaging Service
m) OS means operating system
n) DML means Data Manipulation Language
o) ICT means Information and Communications Technology
p) AMC means Annual Maintenance Contract
q) SLA means Service Level Agreement
r) PPRA means Public Procurement Regulatory Authority
s) IDR means Integrated Data Repository
t) AICRMS means Fully Automated and Integrated County Revenue Management System
u) IRMS means Integrated Revenue Management System

5.0 PROVISION OF SERVICES

a) The Safaricom PLC shall have the exclusive right to provide the County Government of Kisumu with the Services as more particularly detailed in the special condition of the contract.

b) The Safaricom PLC shall install, integrate and test any modification which the County Government of Kisumu wishes to and signs off or, as the case may be, may replace the solution or any part thereof with the modification;

c) The updating services shall include the supply to the County Government of Kisumu of all revisions to the documentation which are necessary in order to reflect any modification;

d) The cost of updating services is included in the charges payable for the solution charged in this agreement.

e) System Technical and functional requirements shall remain as per the bid document Chapter Five (5);

f) Request to add or modify modules and process flow shall be made in writing to the Safaricom PLC authorised representatives and shall become an annex to this Agreement with an addendum;

g) The Safaricom PLC will perform the services described in this agreement with reasonable skill and care. The services (including all deliverables) are provided solely for the purpose set out in this Agreement;

h) Since this is a partnership of Safaricom PLC and Rev Tech Innovations Limited of P.O Box 63349-00619 Nairobi, the bidding company (Safaricom) shall bear any/all liabilities associated with the system. Safaricom shall have a separate agreement with Revtech that will address all issues relating to system delivery.

6.1 SCOPE OF WORK

Safaricom PLC will, Design, Develop, Supply, Deliver Install, Deploy, Test, Train, Commission and Maintain a Fully Automated and Integrated County Revenue Management System. The AICRMS must be convenient, reliable, secure and seamless end to end fully Automated and Integrated Revenue Management System.

CITIZEN SELF SERVICE PORTAL:	
1	Application should have Smart City Portal which should be in the form of mobile app and web app. Any citizen should be able to register and download relevant app from the county portal.
2	Application should have an integrated Citizen facing self-service portal (where citizens can access government service on self-service basis through the Web/ App) that should be deployable on the Public network and should be available to citizens 24/7/365 day basis.

3	Citizen Portal Application must be multilingual (available in English and Kiswahili languages) and the citizen's language preference must be persisted within the system.

COLLECTORS/ENFORCERS MOBILE APPLICATION:	
4	County Revenue Management Users should be able assign officers to collect taxes from selected areas or properties.
5	County Officers should be able to issue/ demand notices and/or collect payment by issuing receipt from the mobile connected printer.
6	County Officer should be able to update personal/ ownership information and geographical information of properties.
WORKFLOWS	
7	All system operations (processes) should be able to process through configurable and guided workflow processes.
8	These workflows need to be customizable while system is up and running. (Dynamic design /Hot Deployment)
9	These workflows should capture time taken for each task and those should be linked with KPIs of County Officers in order to monitor their performance.
	Work Flow Navigation Functionality
10	Filter items by progress on the workflow. • Items at a particular point, (i.e. activated tasks carrying the same status) • Outstanding/late items Items assigned to a specific person/role/group

11	Link functions to workflow tasks and activities. Where possible, automatically complete the linked function.
12	Status flag of Work Item to be automatically (without user intervention) updated on completion of activated tasks.
	STANDARD, DYNAMIC AND CONFIGURABLE VIEWS
13	Views of summary of work for unit/domain/zone/organization should be available
14	It should be possible to filter the list and sort it by any of the displayed columns of the Views
15	The view should drill-down its own functionality to get to a detailed transaction level.
16	Views should have flexibility like Facilities to customize the view by adding and rearranging columns.
17	The ability to save changes to the view and to create personal views as per the user's desire.
18	Changes to common views should be an administrative function restricted to authorized administrators only.

A. **TRADE LICENSE.**

S/NO	DESCRIPTION
1	The system should have GIS integration capability for mapping of County revenue streams/sources.
2	The system should have the ability to calculate fees based on county-defined metrics for the billable services configured and applicable for permits and licenses for the business entity defined

3	The system should integrate citizen / business records, business license, related taxes, permits and business property into a single system with a consistent look and feel.
4	The system should have an approval workflow for licenses, Permits and Certificates,
5	The system should be able to issue interim and the final licenses or permits
6	The system should be able to report levies paid per revenue streams, zones, description, code sub codes, categories and physical
7	The system should be able to report the number of licenses/permits issued per business entity
8	The system should be able to report on the number of valid and expired permits/licenses and penalties
9	The system should be able to notify county staff and citizens when licenses/permits are due in advance.
10	The system should have the ability to set up an unlimited number of business license accounts for each entity and an unlimited number of business (license) types for each license account established for a business. Example: A hotel chain has multiple locations, and there is a distinct business license associated with each location. Each hotel may also have multiple business (license) types associated with such, restaurants (retail), valet services (personal service), gift shops (retail with food), etc. The system must provide for the creation and association of all of these accounts, and they must be associated by a unique identifier.
11	The system should have the ability to associate a citizen account with multiple business accounts e.g., person x runs a shopping mall, owns a garage, and has a bar in various parts of the county.
12	The system should have the ability to add, close, suspend, revoke, reactivate and modify all business license accounts. These should go through a maker/checker approval process.
13	The system should have seamless integration with revenue collection for purposes of recognizing and updating account status for settled payments or outstanding billings.
14	The system should have the ability to capture account status for each license based on the configurable status types e.g., Approved, suspended, revoked, expired etc.
15	The system should have the ability to link to, import and display information from the property record including but not limited to current assessed value; square footage; and ownership history.
16	The system should have the ability to classify licenses by type.

17	The system should have the ability to allow for a checklist of application requirements based on business type or category, which must be satisfied as part of the application and licensing process (e.g., customer may be required to provide health permits, zoning approvals etc.).
18	The system should have the ability to allow the checklist to be updated as needed by county staff having appropriate security/permissions.
19	The system should have the ability to allow the county's citizens to apply/renew and pay for business licenses via self-service portal, and in doing so, provides security measures to protect customer's data and ensure data confidentiality.
20	The system should have the ability to generate bills, invoices, demand notes and receipts
21	The system should have the ability to generate a bill on an ad hoc basis.
22	The system should have the ability to charge late payment penalty based on configurable penalty rules.
23	The system should have the ability to easily generate as a set any applicable forms that should be mailed to a business (e.g., Businesses that have applied a business license).
24	The system should have the ability to identify accounts with any inconsistencies, reporting discrepancies, variances and produce a candidate case for audit.
25	The system should have the ability to plot geographic locations for all business license accounts utilizing Geographic Information System (GIS) functionality.
26	Produce a list of registered businesses
27	Generate a penalty report for various license categories configured in the system
28	Produce a list of inactive businesses
29	The system should be able to process ad hoc applications for burial permit applying the prerequisite checklist rules in the process. The submission of request should have options where it can be submitted online via a web portal or manually processed by an authorized county officer.
30	The system should be able to refresh the ad-hoc request upon payment confirmation from the collections module and allow the permit to be generated and sent to the requester via various channels e.g., email or downloaded from the citizen portal by the registered customer or collected from the county office nearest to the customer.
31	The system should incorporate an exemption module for PWDs with a clearance certificate and approvals from relevant authorities.
32	The system should have ability to search license using a unique identifier, email, telephone, ID, business registration number etc.

B. PARKING MANAGEMENT

S/NO	DESCRIPTION
1	The system should provide subsequent rules within the main rules for certain services like parking. For example, in setting up the facility called public parking and the associated fees, there should be penalties where parking fees are not paid, each classified within the facility such as clamping charges, impounding charges, obstruction charges, storage charges and towing charges as per the Finance Act.
2	The system should provide a mechanism to book in a car that has been clamped and towed.
3	The system should provide a mechanism that once the clamping, parking, impounding charges, storage charges and towing charges have been settled, an alert is sent to the officer asking for unclamping and releasing the car from the yard and updating the clamping book in the system accordingly.
4	The system should be able to register both individual vehicles, businesses and Saccos
5	The system should be able to link individual PSV vehicle and owner to Saccos
6	The system should be able to receive daily, monthly and yearly parking payments
7	The system should be able to receive payments for reserved parking
8	The system should be able to notify the client when parking fees are paid.
9	The system should be able to notify county staff and clients when reserved parking is due.
10	The system should be able to report the number of vehicles in a Sacco
11	The system should be able to report the revenue per Sacco
12	The system should be able to report the number of vehicles parked periodically.
13	The system should be able to report the number of vehicles parked per revenue administration area.
14	The system should be able to generate Vehicle Stickers at pay-point or from a client self-service Portal.
15	The system should be able to suspend vehicle account for vehicles which have been reported grounded. This should go through a maker/checker approval process.
16	The system should have provision for updating vehicle ownership and payment (including waivers and exemptions) details.
17	The system should provide a statement on payments per vehicle with payment dates

C. OUTDOOR ADVERTISING

S/NO	DESCRIPTION
1	The system should be able to record the size of branding, billboards, and signage
2	The system should be able to record the GIS location of branding, billboards and signage
3	The system should be able to record the payment period of branding, billboards and signage
4	The system should be able to link different branding, signages and billboards to an individual organization that owns them
5	The system should be able to provide for categorization of billboards, branding and signages
6	The system should be able to report the revenue per branding, signages and billboards categories
7	The system should be able to report the number of branding, signages and billboards per revenue administration center.
8	The system should be able to capture the charges for branding, signage and billboards as per the Finance Act.
9	The system should be able to generate interim and final invoices with ability to send email and sms notification
10	The system should be able to generate penalties on branding, signages and billboards as per the Finance Act.
11	The system should be able to provide a report of branding, billboards and signages with ability to filter based on duration, validity/ expiry, zones, sub-county etc.
12	The system should support mobile advertisement such as flyers/ posters, banners, roadshows and activations.
13	The system should be able to charge promotions based on geographical coverage and duration.

D. PROPERTIES AND LAND RATES

S/NO	DESCRIPTION
1	The system should have the ability to assess and reassess land and improvements using configurable assessment methods to determine revenue due (Land Assessment)
2	The system should have the ability to store data for land values related to residential, commercial, industrial, multi-dwelling and agricultural land (Land Information)

3	The system should have the ability to capture characteristics of land use based on pre-defined parameters for that land, that can be extended upon consideration by the county (Land Information)
4	The system should have inbuilt GIS for location mapping (Land Information Sharing)
5	The system should have the ability to link scanned documents to specific property records. (Land Information)
6	The system should have the ability to export an image file directly for document storage. (Land Information)
7	The system should have the ability to share applications/image files with other system users. (Land Information Sharing)
8	The system should have the ability to associate electronic files with a system record, including but not limited to PDF, MS Word, MS Excel etc. (Land Information)
9	The system should have the ability to maintain and search property ownership history for all parcels. This search should be linked to the defined citizen / entity account categorized accordingly. (Property Ownership)
10	The system should have the ability to record sufficient property address information to include such items as location, street, etc. that is linked to the GIS system for geo location. (Property Ownership)
11	The system should be able to register new properties (the system should have the ability to add a new parcel to the property history data for respective citizen / entity account)
12	The system should be able to support transfer of land ownership.
13	The system should support registration of Sectional Properties
14	The system should be able to support subdivisions and amalgamation of properties (The system should have the ability to maintain complete, integrated parcel history for all splits and mergers of parcels of land)
15	The system should have the ability to maintain property ownership history for all properties including when two or more parcels are combined into one parcel (Property Ownership)
16	The system should have the ability to maintain original parcel ID on new parcels created from mergers or splits. (Property Ownership)
17	The system should allow the option of linking all pertinent data automatically to the appropriate parcel. (Property Ownership)
18	The system should incorporate an exemption module for worship places
19	The system should have the ability to keep history of a record when the current legal owner of a property changes. (Property Ownership)
20	The system should have the ability to record multiple transfers of a single parcel. (Property

	Ownership)
21	The System should be able compute Principal and Interest as per the existing law and valuation roll.
22	The system should have the ability to search the property history database by a variety of methods including current owner, previous parcel number, address etc. (Property Ownership)
23	The system must enable each property/owner to be assigned to a calendar for billing. (Property Ownership)
24	The system should be able to add and remove caveats.
25	The system should be able to record the type of property i.e., commercial, residential, single dwelling etc.
26	The system should be able to support change of land use
27	The system should be able to automatically generate demand notices and send electronically to the property owners through email and SMS.
28	The system should support receipting of payments
29	The system should support generation of clearance certificates
30	The system should be able to report on the revenue collected per property type.
31	The system should be able to report the number of properties
32	The system should be able to report each property status, block and location
33	The system should be able to produce each property statement
34	The system should support computation of waiver based on a given percentage.
35	The system should be able to produce demand notices for each property and for all due properties.
36	The system should be able to report on total arrears on properties
37	The system should be able to handle impounded properties for purposes of recovering rates arrears.
38	The system should support multiple search parameters on property.

E. PROPERTY RENT

S/NO	DESCRIPTION
1	The system should be able to accept and process ad hoc payments for houses, market stalls/ slabs, shops, booking offices, public utilities, cold rooms etc. linked to the facilities configured and validated by the charge rates defined.

2	The system should be able to accept and process periodic payments for market stalls linked to the facilities configured and validated by the charge rates defined. This process should create an account in the registration module for purposes of single view of the entity.
3	The system should be able to support transfer of tenancy.
4	The system should be able to register new stalls, rental houses, kiosks and toilets.
5	The system should be able to produce detailed report on the revenue collected per category, payment statement, arrears etc.
6	The system should be able to report on the status of stalls, rental houses, kiosks, toilets etc.
7	The system should be able to produce demand notices for each stall, rental house, kiosk, toilet etc.
8	The system should support SMS and email notification on payments
9	The system should allow for updating of new properties.

F. HIRE OF COUNTY ASSETS

S/NO	DESCRIPTION
1	The system should provide for registration of all county assets with ability to edit, delete and add assets through a maker/ checker approval. The registration details should also include geo-reference.
2	The system should provide for application, approval and allocation for county assets legible for hire as per the Finance Act. Successful allocation should be on vacant/ un-booked assets only.
3	The system should be able to accept and process ad hoc payments for county assets linked to the facilities configured and validated by the charge rates as defined by the Finance Act.
4	This process of hiring of county assets should create an account in the registration module for purposes of single view of the entity.
5	The system should provide the status of the county asset
6	The system should provide reports on county assets with ability to filter based on availability, location, zone, charge rate, officer in-charge of asset etc.

G. FINES

S/NO	DESCRIPTION
1	The system should have the ability to process requests for collection of fines as configured and validated by the charge rates defined in the Finance Act. The offences should be pulled from the case management module.

H. PARK FEES

S/NO	DESCRIPTION
1	The system should have the ability to process requests for collection of fees for use of public parks. The details of park and respective fees should be pulled from the configuration, information of the facility. Park fees include; camping, balloon landing, camping, film and photography, park entry, lodge tariff and levies.

I. PUBLIC HEALTH SERVICES FEE

S/NO	DESCRIPTION
1	The system should have a self-service facility to enable for online application or renewal for Public Health Licenses.
2	The system should have an end-to-end health permit approval workflow including site inspections
3	The system should be able to issue Public Health licenses upon approval.
4	The system should be able to report the number of Public Health licenses/permits issued per business entity
5	The system should be able to notify county staff and citizens when Public Health licenses/permits are due in advance
6	The system should provide a mechanism to Suspend/ cancel/ reinstate a food hygiene license on various health grounds. Details of the business should be captured in the suspension/cancellation/reinstating.
7	The system should be able to report the number of Food Handlers Certificates issued.
8	Food handlers should be able to book for clinical food handler's tests on-line and once tested be notified of the results.
9	Food handlers should be able to print their permits from the self-service portal.
10	The system should be able to notify county staff and citizens when their Food Handlers Certificates are due in advance. The notification should be done 14 days to expiry.
11	The system should support application for certificates from individuals and organizations.
12	The system should support all other public health fees and charges such as swimming pool, cemetery, school health, slaughterhouses etc. as per the Finance Act.

J. FIRE LICENSES AND PERMITS.

S/NO	DESCRIPTION
1	The system should have a self-service facility to enable for online application or renewal for Fire Licenses.
2	The system should have an approval workflow for Fire licenses including site inspections
3	The system should be able to issue interim license prior to inspection and final Fire licenses after inspection.
4	The system should be able to report the number of Fire licenses/permits issued per business entity

K. MARKET FEES/ROYALTIES/CESS etc.

S/NO	DESCRIPTION
1	The system should have the ability to collect market fees/royalties/cess etc. as per the County Finance Act.
2	The system should be able to report on revenue collected in real-time
3	The system should be able to demonstrate on collection trends for each revenue stream and individual collector
4	The system should have the ability to supervise, monitor, and enforce revenue collection.
5	The system should be able to reconcile collections and banking in real time

L. LIQUOR LICENSES

S/NO	DESCRIPTION
1	The system should have the ability to allow county citizens to apply/renew and pay for liquor licenses via self-service portal.
2	The system should be able to register and track applications from all sub counties.
3	Liquor licenses should be structured and coded as per Finance Act and Alcoholic Drinks Control Act (ADC), 2014 for ease of licensing and build harmony in issuance of licenses across the county
4	The system should provide various approval process required in the entire liquor licenses application process such as sub-county regulation committee, inspection etc. before issuance of license.
5	The system should be able to notify customers on status of their applications.
6	The system should enable payment for licenses as per Finance Act.

7	The system should be able to generate license. The generated license should include features such as barcodes, QR codes etc. that allow quick and accurate enforcement and inspection.
8	The system should have reports; including licensed premises, payment details and status.
9	The system should be able to record the GIS location of licensed premises
10	The system should provide reports; all applications, application status (approved, pending, rejected, expired etc.), payment status, renewal dates etc.
11	The system should incorporate the function of the Administrative Review Committee as per ADC Act, 2014

M. PHYSICAL PLANNING AND DEVELOPMENT

S/NO	DESCRIPTION
1	The system should have the ability to allow county citizens to apply and pay for the various applications as per the Finance Act via self-service portal.
2	The system should provide for application, registration and approval process for Building Plans including Structural/ Engineering, Architectural Plan
3	The system should provide for application and approval process for Planning Briefs/ Policy Documents including Change of Land Use, Extension of use, Renewal of lease, Extension of Lease, Subdivision, Amalgamation etc.
4	The system should provide for application and approval process for Renovation including Major and Minor renovation.
5	The system should provide for application and approval process for Alterations including Major and Minor alterations.
6	The system should provide for application and approval process for Advertisement related applications such as underground cabling, canvas etc.
7	The system should be able to capture the GIS location of property tied to an application
8	The system should categorize applications based on risk; low, medium and high.
9	The system have capability for enforcement where applicable. Include QR code on the approved plan, letter etc.
10	The system should be able to generate letters (approved/ declined etc.), reports, plans, invoices and receipts where applicable.
11	Provide billing process and payment for any of the application processing stages
12	It should be able to provide various level of approvals as required within the application process

13	The system should have the ability to attach documents where necessary.
14	The system should provide reports on applications e.g. received, paid, approved, declined, validity etc.
15	The system should be linked to the properties and land rates module to allow for checking of compliance with applicable rates
16	The system should allow approved and validated professionals (i.e., architects, planners, surveyors, etc.) to upload relevant project documents in support of applications for approval
17	The system should have digital workflows that allow each application for approval to go through the various stages as stipulated by the Physical Planning Act.
18	The system should be supported by a mobile application that enables inspectors and other officers to collect information and update the system.

N. REPORTING / BUSINESS REPORTS

S/NO	DESCRIPTION
1	The system should have the ability to generate flexible, reliable and consistent Real time revenue reporting based on the following minimum dimensions:
1.1	• Revenue collected per department/ category /stream/zone/subcounty/revenue collector etc.
1.2	• Revenue collected by various collection channel e.g., direct banking, mobile money etc.
1.3	• Ability to filter by period i.e., daily, weekly, monthly, quarterly, yearly etc.
1.4	• Collected revenue against expected revenue by revenue stream
2	The system should have statistical and analytical tools to report on revenue performance and forecast e.g., Graph, charts
3	The system should be able to search and report on transactions i.e. allow a quick find of specific transaction records to answer citizen payment queries
4	The reporting tool should be accessible remotely via the web.
5	System should provide detailed reports on logs of transactions as required
6	The system should have the ability to export transaction information from the system in different formats E.g., pdf, word, Csv, Excel etc.
7	The system should be able to provide an executive summary report on dashboard
8	The system should be able to give analyzed reports using BI tools

9	The system should be able to analyze multidimensional data sources in both web and MS office environments, flexible dashboards, mobility and a flexible, scalable platform
10	The system should support role-based reporting

O. PAYMENT CHANNELS

S/NO	DESCRIPTION
1	The system should have the ability to provide multiple payment options across different providers including: a) Bank payments/Direct debit b) Mobile money from all major mobile money payment platforms (Safaricom Mpesa is mandatory) c) Agents etc.

P. VERIFICATION/VALIDATION

S/NO	DESCRIPTION
1	Ability to issue an electronic receipts/ permits with a reference number, barcode and QR that can be verified electronically by a user by use of scanners or though querying through a mobile device such as USSD, SMS, Mobile App, web application interface etc.

Q. RECONCILIATION AND SETTLEMENT

S/NO	DESCRIPTION
1	Automatic reconciliation that allows matching of payments to account numbers and other identifiers
2	Timely direct credit to the CGK Revenue bank accounts
3	Support for multiple streams of revenue based on codes e.g land rates, advertisements, Trade license etc
4	Ability to track reconciliation process and view any reconciled items.

R. SYSTEM SECURITY/AUDIT TRAIL AND ADMINISTRATION

S/NO	DESCRIPTION
1	Security Architecture The security concept shall include an explanation of the system architecture, describing how the functional components are distributed / localized in the architecture
2	Security of Standard Platforms The security concept shall include the standard platforms (e.g. hardware, OS, middleware, applications and databases.
3	Interface with other system The requirements of the system concerning security of the network infrastructure (eg. DMZs) shall be described. If necessary, the requirements shall be adapted to the existing security infrastructure.
4	Connection to public networks The security mechanisms to protect connections to public networks (e.g. firewalls, tunneling) shall be described
5	Archive log files The process to archive log files shall be in a trustworthy way and for a configurable time according to resources and requirements
6	Backup recommendations The Safaricom PLC shall provide its back-up recommendations that will be validated by Client according to its needs (details of which data is saved, frequency of data modification, etc.).
7	Authentication All third-party access shall use strong (2-factor) authentication.
8	Remote user authentication The system shall provide a mechanism to authenticate any remote user (i.e. verification of network address, dial back mode etc.)
9	Password Encryption All passwords stored in the system shall be appropriately encrypted. They shall not be written in any other file or database (i.e log or cookies cache, etc.)
10	Interfaces outside the security domains Interfaces/Protocols should provide encryption and authentication, to commercial best practice standards, where the interfaces are exposed outside the security domain and for administrative access.

11	The system shall provide an access control mechanism to be able to show which data entities/transactions any particular individual may read, modify or execute (given a user ID)
12	Access Control Levels. The system shall provide the capability to create different access control levels (i.e admin, developer, end-user) according to 'user-privileges' and user roles/job descriptions.
13	Data randomization on test systems Data used for system development and/or testing purposes shall not be the same as the data located on the production system. If that is technically not possible, any classified data shall be modified to ensure that it cannot identify a person, e.g randomize names. The security measures on the development system shall be at least the same as the one on the production system. If the same development system is used for more than one application, data protection measures shall be included.
14	Password re-set by administrators Only administrators have overall ability to reset a user's passwords upon request by the user.
15	Inactive Accounts. The system shall provide the capability to lock/deactivate/suspend certain accounts/user ID either manually or automatically given some pre-defined actions/criteria (i.e period of inactivity)
16	Unique User ID All users shall be allocated a unique user ID for the sole use of the individual.
17	Unsuccessful logons The number of unsuccessful log-on attempts shall be limited to, at most, three attempts per session; afterwards the session will be terminated
18	Logging of unsuccessful login attempts For a given user ID, after a set number of continuous unsuccessful log-on attempts (from different sessions) the account shall be time-locked suspended. (e.g 2 sessions x 3 incorrect logons for each session=max 6 trials). The temporary suspension action shall be documented in log file.
19	Protection of security log files Security log files shall be protected against manual modification even by the super user. The methods applied have to be described. Access to audit logs shall be safeguarded to prevent any possible misuse or compromise (i.e. access limited to authorized personnel only through specific application or system tools).
20	Export of audit logs The system shall provide the capability to export audit logs into database or word-processing

	formats.
21	Security log reporting The system shall provide capability to select events that took place within specific range of dates and times. Select events where a specific user used a particular privilege. print a list of all possible access privileges.
22	Alert on unauthorized or improper system use. The system shall provide the means to detect and alarm unauthorized or improper use of the system.
23	A definition of the back-up plan (for both onsite and off-site) shall be provided according to the following four types of data: System (Operating System and Applications) Data (the data specific to each part of the system that is susceptible to being modified frequently. Database back-up Log (the set of traces on what is made on/from each part of the system)

S. RISK MANAGEMENT

S/NO	DESCRIPTION
1	The Safaricom PLC shall describe approach to risk management showing how risk is identified, recorded, communicated, mitigated and monitored throughout the project

T. CHANGE MANAGEMENT

S/NO	DESCRIPTION
1	The Safaricom PLC shall describe the approach to change management showing what would be impacted by change, suggesting ways of seamlessly transition without disrupting the operations of the county.

U. SUPPORT PLAN

S/NO	DESCRIPTION
1	The Safaricom PLC should describe the approach to perming product support immediately after going live and thereafter. The approach must identify the resources required, the people involved the types of calls expected and what the Safaricom PLC expects the county to do to make this happen. The Safaricom PLC must take into consideration the existing investment in IT support by the county.

V. ENFORCEMENT MODULE

S/NO	DESCRIPTION
1	The system should have the ability to enforce revenue collection using technology i.e., QR codes, bar codes, unique identifier, mobile applications etc.

W. REVENUE COLLECTORS' MANAGEMENT

S/NO	DESCRIPTION
1	The system should be able to manage revenue collectors and enforcement officers i.e., manage transfers, report when on leave or sick off.

X. ACCOUNTABLE DOCUMENTS MANAGEMENT

S/NO	DESCRIPTION
1	The system should be able to manage accountable documents associated with revenue collection e.g. Management of, invoice books, permit printing papers/books and other books that may be required in hard copies.

Y. Others.

S/NO	DESCRIPTION
1	Safaricom PLC shall add any other relevant additional functional modules as requested by County Government of Kisumu.

7.0 SUPPORT STAFF

a) Each party to this agreement shall appoint a specific representative for matters relating to the detailed implementation of the work to act as a focal point for purpose of efficient communication and smooth transition or implementation of the system.

b) The Safaricom PLC shall appoint a project manager who shall be responsible for the coordination of all matters relating to the service provision. All communication, documentation and materials relating to this agreement shall be sent as appropriate by the project manager. Each party shall notify the other in writing promptly in the event of any proposed change to those appointments;

c) The County Government of Kisumu will appoint the ICT officers who shall be granted all the administrative and super access rights to the solution by Safaricom PLC.

7.1 Replacement of Support Staff

a) In the absence of the project manager or of any other member of the Support Staff from the Safaricom PLC or County Government of Kisumu for any reason (including the replacement of such an individuals with the consent, or at the request, of the either parties) the Safaricom PLC or County Government of Kisumu shall issue a replacement who;

b) Is appropriately trained and competent to fulfil the role required of him/her; and

c) Has good understanding of the systems to enable him/her perform the functions of the persons whom he is replacing;

7.2 Time and Attention

a) The Safaricom PLC and County Government of Kisumu undertakes to ensure that the project manager and each member of their Support Staff and any other employee, agent or sub-contractor of either party deployed in a work environment that demands for usage of this system, shall devote enough of his or her time, attention, skill and ability to using the system while on the premises of County Government of Kisumu;

b) The Safaricom PLC shall be responsible for the supervision, direction, control, wages, taxes, national insurance and benefits for all of their staff involved in the implementation of this system at all times.

8.0 CHARGES AND SERVICE LEVELS

Charges for Principal Services

In consideration to the Safaricom PLC

a) In consideration of Safaricom PLC to design, development supplying, delivering, install, deploy, test, train, commission and maintain the Solution to the County Government of Kisumu with solutions and services described in special condition of the contract the

County Government of Kisumu hereby agrees to pay the Safaricom PLC for services offered within 30 days from the date of receipt and verification of Safaricom's invoice by the County Government of Kisumu.

b) Prices charged by the Safaricom PLC for solution delivered and service performed under this Agreement shall not vary from the prices quoted by the Safaricom PLC. All payments in terms of this agreement shall be made as outlined in this agreement and all statutory deductions apply.

c) CGK shall make all the payments into the account below:

ACCOUNT NAME	SAFARICOM PLC
KES ACCOUNT NO.	0106094643702
BANK	Standard Chartered Bank Kenya Ltd
BRANCH	Chiromo Branch
BRANCH CODE	084
SWIFT CODE	SCBLKENXXXX
BANK ADDRESS	Standard Chartered Bank Kenya Ltd 48 Westlands Road P. O. Box 30003-00100 Nairobi, Kenya.

d) All the costs are Tax inclusive and quoted in Kenya Shillings

e) For avoidance of doubt, for any payment to be made an invoice shall be raised by the vendor (Safaricom PLC) and inspection conducted by the client (CGK). Inspection Report shall be signed by both parties.

f) The CGK shall pay the Implementation cost of the solution to Safaricom PLC in Three (3) phases as specified in table 8.0 below.

TABLE 8.0 SUMMARY OF PAYMENT PHASES

PAYMENT PHASES	DESCRIPTION	COMPONENTS	DOCUMENTS REQUIRED	TOTAL COST (KSHs)
I 40% of Contract Price	Implementation, Go Live (Phase 1)	Unstructured Revenue Streams: Parking |Cess |Markets |Bus Parks |Slaughter house	Detailed report for proof of implementation, training (attendance list of trainees), and Go live, invoice, verification by the County Government of Kisumu	19,822,670.44
II 40% of Contract Price	Implementation, Go Live (Phase 2)	Structured Revenue streams workflows: SBP (Trade) |Public Health |Fines & Penalties |Rent & stalls | Liqour	Detailed report for proof of implementation, training (attendance list of trainees), and Go live, verification by the County Government of Kisumu	19,822,670.44

III 20% of Contract Price	Implementation, Go Live (Phase 3)	Structured Revenue streams Advertisement | Hire of County Assets | Land rates & Physical Planning | Integration to 3rd Party Systems	Detailed report/Certificate for proof implementation training (attendance list of trainees), and Go live, invoice, verification by the County Government of Kisumu	9,911,335.22
	TOTAL			**49,556,676.09**

NOTE:

Safaricom PLC will not charge the following items listed below in case CGK decides to renew the Contract for another Three (3) Years.

- Operating System and Software Licenses – Linux,
- Bulk SMS cost for transactional messages,
- Platform setup and Customizations,
- Integration costs – 3rd Party Systems,
- Data Migration Costs,
- Implementation cost
- Training cost.

8.1 Delivery and Documentation

a) The Safaricom PLC will implement the solution within a **PERIOD OF SIX (6) MONTHS** from the contract execution date and the place of Delivery shall be at the County Government of Kisumu headquarters or other designated county offices in Kisumu County as shall be advised by the Directorate of ICT services;

b) This period may be extended in writing if affected by factors such as delivery of required hardware from System Provider/Vendors, preparation of the required server environment, delay by County Government of Kisumu to provide the Safaricom PLC with required data,

third party integration APIs, and resources necessary for the proper implementation of the system and other unforeseen circumstances;

c) Safaricom PLC undertakes to deliver technical system documentation and user documentation for the Solution within the period stipulated in clause 8.1 (a) above;

d) There will be mandatory documented monthly meetings between the County Government of Kisumu and the Safaricom PLC project teams to evaluate progress and any challenges arising. The meetings will continue on a quarterly basis after project go-live, and will be organized by the Safaricom PLC.

9.0 TRAINING

Training for use of the system is expected to satisfy the below requirements:

9.1 The overall objective of the training is to enable effective and efficient use of the system and pass over ownership to the County Government.

9.2 The technical user manual. User guides. Web based training materials. Quick Start Manuals and Job aids must be prepared by the Vendor and approved by CGK Team in line with the timeframes in as per bid Tender document.

9.3 The Vendor to develop different training methods which satisfies the various Subsets of training requirements for the targeted groups.

9.4 The methodology for training will be a mix of Instructor Led/Train the Trainer (TOT) sessions and practical sessions with strong emphasis on tracking various transactions from various revenue streams using various payment modes from initiation to reporting.

9.5 The training process must be continuous on a need basis throughout the contract period to take care of future upgrades and customizations of the revenue system.

9.6 The Training Deliverables should comprise presentations and documents outlining operational processes and procedures.

9.7 The Vendor must develop a means to evaluate the evidence of training.

9.8 There are six target groups categorized as follows: The System Provider/ Vendor to organize out of Office Training for the following :

i. Training for technical team (ICT Team) No. 30.
ii. Training for super users (System Administrators and Revenue Administrators) No. 15.
iii. Training for supervisors' No. 40.
iv. Training for collectors No.400.
v. Training for enforcement team No.300.
vi. Training for decision makers. No.50.

9.9 All costs arising from training as listed below shall be facilitated by the Vendor:

i. Venue costs including stationary, meals and any other attendant venue costs
ii. Cost of reproducing approved training materials.

iii. Reimbursable costs incurred by the trainees as may be applicable, upon approval by Safaricom;

iv. All costs that is incidental to and consequential upon provision of the training.

10 SUPPORT AND MAINTENANCE

The vendor will also be expected to support and maintain the solution: This will include: Providing a help line which users of the system can call to report any problems, providing upgrades, troubleshooting and fixes to the solution.

Safaricom PLC shall provide 24/7/365 99% availability of the solution. A comprehensive Service Level Agreement (SLA) to be provided by the Safaricom PLC. Safaricom PLC will support and maintain the system for a period of 3 years.

Safaricom PLC will provide Service Level Agreement (SLA) and Annual Maintenance Contract (AMC) during the entire duration of the contract, and which will be supported under the Software as a Service (SaaS) cost of the solution here-in referred to as commission or recurrent cost. No other costs are to be incurred by the county for the SLA and AMC.

11.0 HARDWARE PROVISION AND MAINTAINACE

The Safaricom PLC to provide 400 android smart phones. The devices shall be branded internally (Kisumu County Revenue Board).

12.0 HOSTING, SECURITY AND ACCESS

Safaricom PLC shall provide cloud Hosting and Security services for a period of 3 years. During this time the appointed ICT Officers from County Government of Kisumu shall be granted all the administrative and super access rights to the solution by Safaricom PLC.

The Hosting and Security shall be as per the response provided in 2.2.5 of the Tender Document by Safaricom PLC on IRMS Cloud Hosting Architecture (Server, storage & security services) Systems Security/ Audit Trail and Administration module as per the response to Tender Document by Safaricom PLC

13.0 OBLIGATIONS

13.1 OBLIGATIONS OF SAFARICOM PLC

- The Safaricom PLC to provide Bulk SMS for transactional messaging on the System for Free for the entire contract period.
- The Safaricom PLC to provide 400 android smart phones. The devices shall be branded internally (Kisumu County Revenue Board).

- Safaricom PLC will support the county with marketing, outdoor advertisement, and sensitization of the Kisumu County citizens as a value add of the solution. The support will be as agreed by the Parties and subject to Safaricom's available budget for the same.
- Safaricom PLC will provide Service Level Agreement (SLA) and Annual Maintenance Contract (AMC) during the entire duration of the contract and it's supported under the Software as a Service (SaaS) cost of the solution here-in referred to as commission or recurrent cost. No other costs are to be incurred by the county for the SLA and AMC.
- The Safaricom PLC shall conduct all activities with due care and diligence, in accordance with the Contract and with the skill and care expected of a competent provider of information technologies, information systems, support, maintenance, training, and other related services, or in accordance with best industry practices. In particular, the Safaricom PLC shall provide and employ only technical personnel who are skilled and experienced in the irrespective callings and supervisory staff who are competent to adequately supervise the work at hand.
- The Safaricom PLC confirms that it has entered into this Contract on the basis of a proper examination of the data relating to the System provided by the CGK and on the basis of information that the Safaricom PLC could have obtained from a visual inspection of the site (if access to the site was available) and of other data readily available to the Safaricom PLC relating to the System as at the date twenty-eight (28) days prior to tender submission. The Safaricom PLC acknowledges that any failure to acquaint itself with all such data and information shall not relieve its responsibility for properly estimating the difficulty or cost of successfully performing the Contract.
- The Safaricom PLC shall be responsible for timely provision of all resources, information, and decision making under its control that are necessary to reach a mutually Agreed Project Plan (pursuant to the provisions of this Contract Agreement) within the time schedule specified in the Implementation Schedule. Failure to provide such resources, information, and decision-making may constitute grounds for termination pursuant to provisions of this Contract Agreement.
- The Safaricom PLC shall acquire in its name all permits, approvals, and/or licenses from all local, state, or national government authorities or public service undertakings in Kenya that are necessary for the performance of the Contract, including, without limitation, visas for the Safaricom PLC's and Subcontractor's personnel and entry permits for all imported Safaricom PLC's Equipment. The Safaricom PLC shall acquire all other permits, approvals, and/or licenses that are not the responsibility of the CGK under provisions of this Contract Agreement and that are necessary for the performance of the Contract.
- The Safaricom PLC shall comply with all laws in force in Kenya. The laws will include all national, provincial, municipal, or other laws that affect the performance of the Contract and are binding upon the Safaricom PLC. The Safaricom PLC shall indemnify and hold harmless the CGK from and against any and all liabilities, damages, claims,

fines, penalties, and expenses of whatever nature a rising or resulting from the violation of such laws by the Safaricom PLC or its personnel, including the Subcontractors and their personnel, but without prejudice to the provisions of this Contract Agreement. The Safaricom PLC shall not indemnify the CGK to the extent that such liability, damage, claims, fines, penalties, and expenses were caused or contributed to by a fault of the Procuring Entity.

- Safaricom shall not be liable to the Procuring Entity whether in contract, tort or otherwise for any indirect or consequential loss or damage, loss of use, loss of production or loss of profit or interest costs.
- The aggregate liability of Safaricom to the Procuring Entity whether in contract, tort or otherwise shall not exceed the total contract price.
- The Safaricom PLC shall, in all dealings with its labor and the labor of its Subcontractors currently employed on or connected with the Contract, pay due regard to all recognized festivals, official holidays, religious or other customs, and all local laws and regulations pertaining to the employment of labor.
- Any Information Technologies or other Goods and Services that will be incorporated in or be required for the System and other supplies shall have their Origin, as defined in the tender document, in a country that shall be an Eligible Country, as defined in the tender document.
- Pursuant to the provisions of this Contract Agreement the Safaricom PLC shall permit and shall cause its subcontractors and sub-consultants to permit, the PPRA and/or persons appointed by the PPRA to inspect the Site and/or the accounts and records relating to the procurement process, selection and/or contract execution, and to have such accounts and records audited by auditors appointed by the PPRA if requested by the PPRA. The Safaricom PLC's and its Sub contractors' and sub-consultants' attention is drawn to Sub-Clause 6.1 which provides, inter alia, that acts intended to materially impede the exercise of the PPRA's inspection and audit rights constitute a prohibited practice subject to contract termination (as well as to a determination of in eligibility pursuant to the PPRA's prevailing sanctions procedures).
- The Safaricom PLC shall conform to the sustainable procurement contractual provisions, if and as specified in the SCC.
- The Safaricom PLC shall grant administrative and super access rights to the appointed County Government of Kisumu ICT Officers.
- The Safaricom PLC shall provide a revenue enforcement module capable of monitoring all revenue enforcement activities and producing relevant reports.
- Safaricom PLC shall establish a Geospatial database and load existing county GIS layers into the database, integrate the relevant cadastral layers with the ICRMS and the county land management systems. This integration shall ensure the synchronization of land transaction data across all relevant systems.
- Unless otherwise specified in the SCC the Safaricom PLC shall have no other

responsibilities.

13.2 OBLIGATION OF THE COUNTY GOVERNMENT OF KISUMU

- The CGK shall ensure the accuracy of all information and/or data to be supplied by the CGK to the Safaricom PLC, except when otherwise expressly stated in the Contract.
- The CGK shall be responsible for timely provision of all resources, information, and decision making under its control that are necessary to reach an Agreed Project Plan (pursuant to the tender document) within the time schedule specified in the Implementation Schedule. Failure to provide such resources, information, and decision making may constitute grounds for Termination pursuant to provisions of this Contract Agreement
- The CGK shall be responsible for acquiring and providing legal and physical possession of the site and access to it, and for providing possession of and access to all other area as reasonably required for the proper execution of the Contract.
- If requested by the Safaricom PLC, the CGK shall use its best endeavors to assist the Safaricom PLC and its partners in obtaining in a timely and expeditious manner all permits, approvals, and/or licenses necessary for the execution of the Contract from all local, state, or national government authorities or public service undertakings that such authorities or under takings require the Safaricom PLC or Sub contractors or the personnel of the Safaricom PLC or Sub contractors, as the case may be, to obtain.
- In such cases where the responsibilities of specifying and acquiring or upgrading telecommunications and/or electric power services falls to the Safaricom PLC, as specified in the Technical Requirements, SCC, Agreed Project Plan, or other parts of the Contract, the CGK shall use its best endeavors to assist the Safaricom PLC in obtaining such services in a timely and expeditious manner.
- The CGK shall be responsible for timely provision of all resources, access, and information necessary for the Installation and Operational Acceptance of the System (including, but not limited to, any required telecommunications or electric power services), as identified in the Agreed Project Plan, except where provision of such items is explicitly identified in the Contract as being the responsibility of the Safaricom PLC. Delay by the CGK may result in an appropriate extension of the Time for Operational Acceptance, at the Safaricom PLC's discretion.
- Unless otherwise specified in the Contract agreed upon by the CGK and the Safaricom PLC, the CGK shall provide sufficient, properly qualified operating and technical personnel, as required by the Safaricom PLC to properly carry out Delivery, Pre-commissioning, Installation, Commissioning, and Operational Acceptance, at or before the time specified in the Implementation Schedule and the Agreed Project Plan.
- The CGK will designate appropriate staff for the training courses to be given by the Safaricom PLC and shall make all appropriate logistical arrangements for such training as specified in the Technical Requirements, SCC, the Agreed Project Plan, or other parts

of the Contract.

- The CGK assumes primary responsibility for the Operational Acceptance Test (s) for the System, in accordance with provisions of this Contract Agreement, and shall be responsible for the continued operation of the System after Operational Acceptance. However, this shall not limit in anyway the Safaricom PLC's responsibilities after the date of Operational Acceptance otherwise specified in the Contract.
- The CGK is responsible for performing and safely storing timely and regular backups of its data and Software in accordance with accepted data management principles, except where such responsibility is clearly assigned to the Safaricom PLC elsewhere in the Contract.
- The CGK shall be responsible for maintaining a digital cadastral and a Land Management System for land transaction management. This system will be made accessible to Safaricom PLC to enable the integration of land transaction with revenue management system. This integration will harmonize various data elements, including payments, ownership details, and land history, among other critical information.
- Unless otherwise specified in the SCC the CGK shall have no other CGK responsibilities.
- CGK to provide working area for Safaricom PLC and Safaricom's partner team to operate from during the duration of this project.

14.0 SAFARICOM PLC'S WARRANTIES, INDEMNITIES AND UNDERTAKINGS

a) The Safaricom PLC hereby represents and warrants to the County Government of Kisumu that:

i. The services shall be performed in a manner that will not cause any fault or malfunction in the supported software or any related software or system of the parties;

ii. The services shall be performed in a manner that will not cause any interruption to the business process of the County Government of Kisumu other than that agreed and unavoidable interruption which is required in order to perform the services in a proper and efficient manner and other than those planned interruptions for which Safaricom shall give prior notice;

iii. The services shall be performed in accordance with applicable laws and regulations;

iv. The services shall be performed with all reasonable skill and care and in accordance with the highest professional standards attained by companies offering software support of the type offered by the Safaricom PLC;

v. That the possession or use of the deliverable will not infringe the intellectual property rights of any third party;

vi. That at the date of this Agreement, the Safaricom PLC has obtained and will maintain in the duration of this Agreement all permissions, license and consents

necessary for the Safaricom PLC to perform the Services;

vii. That the Safaricom PLC has adequate resources to meet its obligations under this Agreement:

viii. Where the Safaricom PLC receives written notice from County Government of Kisumu of any breach of the Safaricom PLC of the representation and warranties contained in Clause 14.0 (a) the Safaricom PLC shall, at its own expense, remedy that breach within Twenty One (21) working days following receipt of such notice failing which the County Government of Kisumu shall be entitled to pursue such rights and remedies as are available to it;

ix. The Safaricom PLC undertakes to indemnify the County Government of Kisumu from and against any claim or action that the use of or possession of any of the Deliverable or any part of them that infringes the Intellectual Property Rights of a third party ("IPR Claim") and shall fully indemnify and hold harmless County Government of Kisumu from and against any losses, damages, costs. The foregoing indemnity shall remain in force and effect including the period after termination of this Agreement:

b) The Safaricom PLC will maintain and service the system after installation in accordance to the terms stipulated in this Agreement to ensure the equipment is in good working order at all times during the term of the Agreement. The Safaricom PLC undertakes that any dysfunctional equipment shall be repaired or replaced in accordance to OEM warranty guidelines;

SPECIAL CONDITIONS OF THE TENDER

Implementation and Deployment Plan

I. **Implementation Period**

The implementation period of the project shall be as defined in this document and the contract agreement wherein all the hardware, software, resources etc. should be installed/deployed.

II. **Phased Implementation.**

The Vendor should provide an implementation plan clearly outlining how each revenue module will be implemented within the first six months after contract signing. The implementation plan should also incorporate system integration with both existing county systems and third party service providers.

III. **Pilot Implementation.**

The Vendor shall pilot the solution in at least Kisumu City and one other sub county for at least one month before the full roll out.

IV. **Implementation Support.**

The Vendor shall be required to offer post implementation support throughout the contract period on a need basis.

V. **Support and Maintenance**

The County Government of Kisumu shall pay the Vendor a recurrent charge of 4% of the revenue collected on the System as a Software as a Service (SaaS) cost to cater for support and maintenance. The payment shall be made in accordance to clause 8.

15.0 EXIT CLAUSE

Termination

a. This Agreement may be terminated by either party giving NINETY (90) days' notice in writing to the other notwithstanding anything to the contrary expressed or implied in this Agreement;

b. This Agreement may also be terminated with immediate effect by written notice from either party if:

   i) The party is in breach of any provision of this Agreement and has failed to rectify such breach, within (21) days of the date of any written notice requiring it to rectify suchBreach, or

   (ii) Either party enters into compulsory or voluntary liquidation or has a receiver appointed over its property and assets.

Handing Over During Termination/End of Contract

At the end of the contract, CGK shall take possession of all the hardware, data and other related

systems as per the terms of reference document.

16.0 FORCE MAJEURE

a. If either party is by reason of force majeure is unable wholly or in part to carry out its obligations under this Agreement, then upon notice in writing of such force majeure inform the party affected to the other party as soon as possible as shall be released from its obligations and suspended from the exercise of its rights hereunder to the extent to which they are affected by the circumstances of force majeure and for the period during which those circumstances exist:

Provided that:

(i) The party affected shall use all reasonable endeavor to terminate the circumstances of force majeure with all reasonable speed;

(ii) Nothing in this clause shall relieve either party of its obligations (including obligations to make payments hereunder) accrued at the date of notice.

b. In this clause "force majeure" means circumstances beyond the control of the party concerned and which notwithstanding the exercise by it of reasonable diligence and foresight it was unable to prevent or overcome.

17.0 AGREEMENT

This Agreement is personal to the SAFARICOM PLC and shall not assign or sub-contract this Agreement in whole or in part to any third party without the prior written consent of the County Government of Kisumu.

18.0 WHOLE AGREEMENT

This Agreement represents, embodies and incorporates the whole of the Agreement between the parties relating to the subject matter

Hereof and shall supersede all previous arrangements and or agreements (whether express or implied) entered in to between the parties hereto relating to the products.

19.0 VARIATION OF AGREEMENT

No variation, waiver or modification of any of the terms of this Agreement shall be valid unless in writing and signed by or on behalf of the parties.

Waiver

The waiver by the County Government of Kisumu of any term or breach of any term of this Agreement shall not prevent the subsequent enforcement of that term and shall not be deemed as a waiver of any subsequent breach.

20.0 ARBITRATION

Any dispute arising from or in connection with this Agreement regarding the meaning or

the interpretation of any provision herein and which dispute cannot be resolved amicably shall be referred to a single arbitrator to be appointed by the parties. Where the parties do not agree on the choice of an arbitrator, both parties shall choose one arbitrator and the two arbitrators shall then, where the need, arises, appoint an Umpire for the purpose of the dispute or specified areas thereof. Any such arbitration shall be in accordance with the Arbitration Act of Kenya. Any award by an arbitrator shall be final and binding on both parties hereto.

21.0 NOTICES

Notices or orders from either party to the other may be given to the party by prepaid letter, email to the following addresses or Any other address notified to either party and shall be deemed to have been properly received (if dispatched by prepaid mail) within seven (7) days of the date of posting.

As witnessed by the hands of the duly authorized representatives of the COUNTY GOVERNMENT OF KISUMU and the SAFARICOM PLC hereto the day and year first herein before written.

Signed and delivered.

Name ..... Paul Njenga Wawere .....)

National ID No..... 2152074 .....)

Designation: CHIEF OFFICER FINANCE, ECONOMIC

PLANNING AND ICT (E-GOVERNMENT) SERVICES) Official) Rubber stamp

COUNTY GOVERNMENT OF KISUMU
CHIEF OFFICER FINANCE
31 OCT 2023
P. O. Box 2738 - 40100, KISUMU

)

)

FOR: EMPLOYER.

On behalf of the

County Government of Kisumu,

In presence of:

EDRIS OMONDI
ADVOCATE
31 OCT 2023
P. O. Box 2738-40100 KISUMU
COUNTY ATTORNEY, KISUMU

Name.....)

National ID No.....)

Designation.....)

WITNESS)

)

SIGNED BY THE SAID SAFARICOM PLC

Name..... NICHOLAS KAMUNYU) NK Machoka
Designation: ..... CHIEF CHANNELS OFFICER)
National ID No. 12925219) Official) Rubber stamp
)

In presence of:

Name..... PAUL KATIMU
Designation: ..... CHIEF HR OFFICER
National ID No.)
WITNESS)

THE COUNTY GOVERNMENT OF KISUMU

Department of Finance, Economic Planning & ICT Services

REF: CGK/FIN/CO/1/VOL.II DATE: 5th October, 2023

TO: CHIEF EXECUTIVE OFFICER,
M/S SAFARICOM PLC.
P.O BOX 66827-00800,
NAIROBI, KENYA

RE:NOTIFICATION OF AWARD FOR SUPPLY AND DELIVERY, DESIGN, DEVELOPMENT, INSTALLATION,DEPLOYMENT, TESTING, COMMISSIONING AND MAINTENANCE OF A FULLY AUTOMATED AND INTEGRATED COUNTY REVENUE MANAGEMENT SYSTEM FOR YEAR 2023-2024: TENDER NO. CGK/FIN/OP/2023-2024/005/NEG NO. 1352785.

This is in response to your letter **Ref: EBU/SAF/KSM/RSM/29/09/2023/(1)** dated 3rd October, 2023 regarding the above mentioned tender.

The recurrent charge of 4% of total revenue collected from the system is considered as a separate charge which will be included in the special conditions of contract.

The Tender sum amounting **Kshs.49,556,676.99**(Forty Nine Million, Five Hundred and Fifty Six Thousand, Six Hundred and Seventy Six Hundred Cents Nine shillings only) is what was read out and recorded during the Tender Opening and indicated in the letter of notification of award **dated 29th September, 2023.**

I hope this explains why it was not included in the Award letter.

PAUL NJENGA WAWERU
CHIEF OFFICER FINANCE, ECONOMIC PLANNING & ICT SERVICES

CC County Secretary
CECM Finance & Economic Planning & ICT
Chairman Revenue Board

By Hand delivery

Our Ref: EBU/SAF/KSM/RSM/13/10/2023/ (1)
Your Ref: CGK/FIN/1/VOL.II

13th October 2023

Paul N. Waweru
Chief Officer-Finance, Economic Planning, and ICT Services
The County Government Of Kisumu
P.O. Box 2738-40100
KISUMU, KENYA

Dear Waweru,

RE: NOTIFICATION OF AWARD FOR SUPPLY AND DELIVERY, DESIGN, DEVELOPMENT, INSTALLATION, DEPLOYMENT, TESTING, COMMISSIONING AND MAINTENANCE OF A FULLY AUTOMATED AND INTEGRATED COUNTY REVENUE MANAGEMENT SYSTEM FOR YEAR 2023-2024: TENDER No: CGK/FIN/OP/2023-2024/005/NEG No: 1352785

We refer to the above and acknowledge with thanks receipt of your letter dated 29th September 2023 and subsequent letter vide CGK/FIN/CON/1/VOL II dated 5th October 2023.

We confirm acceptance to provide the referenced services at a contract Value of **Kenya shillings 49,556,676.09 (Forty Nine million, Five hundred and Fifty Six Thousand, Six hundred and Seventy Six and Nine Cents shillings only).** We also acknowledge that the recurrent charge of 4 % of the total revenue collected in the system shall be included in the Special Conditions of the Contract.

We respectfully request that you share the draft contract for our review and execution.

Thank you for your continued support.

Yours sincerely,
For: Safaricom PLC

George Kimani
Bid Manager
Enterprise Business Unit

C2 - Safaricom Internal

REPUBLIC OF KENYA

THE COUNTY GOVERNMENT OF KISUMU

Department of Finance, Economic planning and ICT Services

REF: CGK/FIN/PROC/AWD/VOL.I/1 DATE: 29TH SEPTEMBER, 2023

CHIEF EXECUTIVE OFFICER,
M/S SAFARICOM PLC,
P.O BOX 66827 -00800.
NAIROBI, KENYA.

EMAIL: www.safaricom.co.ke
TEL: 0722003272

Dear Sir /Madam,

RE: NOTICATION OF AWARD FOR SUPPLY AND DELIVERY, DESIGN, DEVELOPMENT, INSTALLATION, DEPLOYMENT, TESTING, COMMISSIONING AND MAINTANANCE OF A FULLY AUTOMATED AND INTERGRATED COUNTY REVENUE MANAGEMENT SYSTEM TENDER No: CGK/FIN/OP/2023-2024/005/NEG No: 1352785

This is to notify you that your application for execution of the above mentioned tender for the Contract Price in the aggregate of Ksh.49,556,676.09 (Kenya Shillings Forty Nine million, Five Hundred and Fifty-Six Thousand, Six Hundred and Seventy-Six and Nine Cents Only) is hereby accepted by the County Government of Kisumu, Department of Finance, Economic Planning and ICT Services

You are required to immediately furnish us with an acceptance letter and Performance Security of 2% of the above tender sum from a reputable bank listed by the Central Bank of Kenya or an insurance company registered and licensed by the Insurance Regulatory Authority and listed by the Public Procurement Regulatory Authority, using for that purpose one of the Performance Security Forms included in Section X, - Contract Forms, of the Tendering Document, and thereafter you will be required to sign a contract agreement.

You are also reminded to adhere to Public Procurement and Disposal Act 2015, Regulations 2020 and County Government regulations 2013 which requires that you provide quality goods, work/ services to the procuring entity.

PAUL NJENGA WAWERU
CHIEF OFFICER- FINANCE, ECONOMIC PLANNING AND ICT SERVICES

C.c. *-CECM Department of Finance, Economic planning and ICT Services*
-Director Supply Chain Management

By Hand delivery

Our Ref: *EBU/SAF/KSM/RSM/29/09/2023/ (1)*
Your Ref: *CGK/FIN/OP/2023-2024/005/NEG No:1352785*

3rd October 2023

Paul N. Waweru
Chief Officer-Finance, Economic Planning, and ICT Services
The County Government Of Kisumu
P.O. Box 2738-40100
KISUMU, KENYA

Dear Waweru,

RE: NOTIFICATION OF AWARD FOR SUPPLY AND DELIVERY, DESIGN, DEVELOPMENT, INSTALLATION, DEPLOYMENT, TESTING, COMMISSIONING AND MAINTENANCE OF A FULLY AUTOMATED AND INTEGRATED COUNTY REVENUE MANAGEMENT SYSTEM FOR YEAR 2023-2024: TENDER No: CGK/FIN/OP/2023-2024/005/NEG No: 1352785

We refer to the above and acknowledge with thanks receipt of your letter dated 29th September 2023.

We have however noted that the contract price has not been fully captured pursuant to the form of Tender in the financial offer which should read as below:

Kenya shillings 49,556,676.09 (Forty Nine million, Five hundred and Fifty Six Thousand, Six hundred and Seventy Six and Nine Cents shillings only) and the recurrent charge of 4 % of the total revenue collected in the system.

We respectfully request that you review and send us an amended letter for acceptance, and subsequently contract execution, and smooth implementation of the project.

Thank you for your continued support.

Yours sincerely,
For: Safaricom PLC



George Kimani
Bid Manager
Enterprise Business Unit

Your Ref: CAK/AD-HOC/OSR/008/2026

18th May 2026

The Clerk,
County Assembly of Kisumu,
P.O. Box 86 – 40100,
Kisumu

Attention: Ad Hoc Committee on Own Source Revenue (OSR)

Dear Sirs,

RE: Response to Request for Information on Integrated Revenue Management System

---

We acknowledge receipt of your letter dated **13th May 2026** regarding the ongoing inquiry into the performance, administration, and governance of Own Source Revenue (OSR) within Kisumu County.

Safaricom PLC confirms its **availability to appear before the Committee on Wednesday, 20th May 2026 at 11:00 A.M.**, as requested.

Pursuant to your request, we hereby submit the required documentation and responses relating to the **Integrated County Revenue Management System (ICRMS)** implemented under the Contract Agreement dated **31st October 2023** between Safaricom PLC and the County Government of Kisumu.

Kindly find our structured response below.

Yours faithfully,
FOR: SAFARICOM PLC

Okata

Okata (May 18, 2026 23:00:17 GMT+3)

FRANKLINE OKATA
HEAD OF ENTERPRISE SALES

DISCLAIMER

This report has been prepared strictly and solely for the purpose of responding to and addressing the matters raised in the County Assembly of Kisumu Ad Hoc Committee on Own Source Revenue's letter dated 7th May 2026, and for presentation before the Committee pursuant to its inquiry.

The contents herein are limited to the specific issues under consideration by the Committee within the context of its constitutional and statutory mandate and should not be relied upon, reproduced, disclosed, or used for any other purpose without prior written consent.

This report does not constitute an admission of liability, wrongdoing, or non-compliance by any party and is provided without prejudice to any legal rights, remedies, or positions that may be available.

1. DEFINITIONS

Definitions and Acronyms

ICRMS – Integrated County Revenue Management System

CGK – County Government of Kisumu

OSR – Own Source Revenue

SOC – Security Operations Centre

SLA – Service Level Agreement

SaaS – Software as a Service

DPIA – Data Protection Impact Assessment

DR – Disaster Recovery

VDC – Virtual Data Center

MDM – Mobile Device Management

PIM – Privileged Identity Management

SIEM – Security Information and Event Management

WAF – Web Application Firewall

TOT – Training of Trainers

FY – Financial Year

ERP – Enterprise Resource Planning

CBS – Convergent Billing System

2. EXECUTIVE SUMMARY

Safaricom PLC was awarded a contract on 31st October 2023 for the implementation of a fully automated and Integrated County Revenue Management System (ICRMS) for the County Government of Kisumu in accordance with the contract scope, which includes design, development, deployment, testing, training, commissioning, and maintenance of the system.

The County Government of Kisumu integrated own source revenue (OSR) management solution was implemented in a phased approach for the revenue streams as per the provisions of the contract, with centralized monitoring through a service operations center and a managed cyber security SOC.

Key achievements include:

- Deployment of a multi-channel (USSD: ***427#,** Mobile App – MyCounty App (Android & iOS, Collection/Enforcement Android App, WhatsApp Payment Channels 0742 427 427, Web applications – reports, dashboards & administration) Integrated County revenue management system
- Digitization of key revenue streams
- Implementation of audit logging and reporting mechanisms
- Enablement of real-time monitoring and reconciliation
- Enablement of County Government of Kisumu Revenue and ICT officials through training.

References:

Attachment 1: Tender No: CGK/FIN/OP/2023-2024/005, Negotiation No. 1352785

Attachment 2: Tender Document: Kisumu County ICRMS Proposal

Attachment 3: Award Letter issued 5th October 2023

Attachment 4: The contract awarded for a period of 3 years from the date of 31st October 2023

3. PHASE BY PHASE IMPLEMENTATION REPORTS OF THE INTEGRATED REVENUE MANAGEMENT SYSTEM, OPERATIONAL ACCEPTANCE CERTIFICATES & GO LIVE VERIFICATION DOCUMENTS FOR PHASE 1, 2 AND 3

3.1 Introduction

We are pleased to report on the successful delivery of the project, with **100% completion achieved across Phase 1 and Phase 2**, meeting all planned objectives and deliverables.

Phase 3 is now at 96% completion, with finalization pending a single external dependency — the provision of GIS cadastral data by the County. This represents a minimal outstanding scope, positioning the project firmly in its final closure stage

3.2 Pilot Implementation Report

Project Title:

Design, Development, Supply, Delivery, Installation, Deployment, Testing, Training, Commissioning and Maintenance of a Fully Automated and Integrated County Revenue Management System

Project Objective:

To implement an Integrated County Revenue Management system that automates the collection, processing, and reporting of revenue from various sources within the county. The system will enhance the efficiency, transparency and accountability of revenue management and increase own source revenue collection for the County Government of Kisumu (CGK)

The Pilot Phase

In compliance with the Special Conditions of the Contract, Clause III, pilot implementation was conducted in the following sub-counties in the County Government of Kisumu:

1. **Kisumu Central**
2. **Nyakach**

The pilot of Revenue collection system for a period of one month was carried out at this phase during which the system was deployed for Nyakach Sub County and Kisumu Central Sub County locations and monitored for any issues or feedback.

The pilot was done to test the system in a real-world setting and to collect data and insights on the system performance, user experience, and customer satisfaction.

The pilot locations were recommended by the County Government of Kisumu. The pilot outcome and feedback were documented and shared. Findings, and learnings captured in **Appendix C – Pilot Learnings of the ICRMS Phase I Milestone Report.**

References:

Attachment 5: Kisumu County – ICRMS Phase I Milestone Report

3.3 Phase by Phase Implementation Report

The project implementation was executed in accordance with **Table 8.0 of the Contract** and a detailed report for proof of implementation, training, (attendance list of trainees), and go live documentation per phase has been attached.

i. Phase 1:

Implementation of Unstructured revenue streams as shown in the table below:

	Unstructured Revenue Streams (Phase 1)	**Status**
1	Parking (Daily parking, Seasonal Parking, Monthly stickers)	Operational
2	Cess	Operational
3	Markets	Operational
4	Bus Parks	Operational
5	Slaughter house	Operational
6	Stock Ring/Cattle Ring	Operational
	Other Requirements	
A	Android Smart Mobile Phones & SIMs managed through MDM	Operational
B	Bluetooth Printers for printing receipts – integrated to mobile phones	Operational
C	Enforcement App (Android application installed in the smart phones)	Operational

Key milestone achievements:

- Design, Deployment, testing and commissioning of the Kisumu County Integrated Revenue Management System which includes Mobile devices (managed through a mobile device management cyber security system, android mobile app for county revenue collection & enforcement officers, USSD capability *427#, Web applications – County Biller with dashboards, reporting & administration capabilities)
- Digitization of documented unstructured revenue workflows and integrating into the platform.
- Integration of MPESA Paybill 425542 in order to fully automate payments & authentication.
- Integration of KCB bank for real time settlement of all payments made through the bank.
- Online digital invoices, receipts and stickers
- ICRMS Platform capabilities activated - The system allows the county staff to capture, process, and report the revenue transactions from these unstructured revenue sources using mobile devices (android enforcement app, USSD), web portals dashboards (County Biller). The system also generates invoices, receipts, and notifications via SMS for the users of county services (the “customer”) and the county officials.
- Testing and Operational acceptance – System and user acceptance tests. Refer to Appendix D – Test report in the Kisumu County – ICRMS phase 1 Milestone report.
- Conducted workshops on policies and processes with the Revenue Board members and Revenue Supervisors/ administrators to streamline the people phase
- User training for all the sub counties, ICT team, and TOT (project champions) team, covering the system features, operations, and troubleshooting. Refer to Appendix B of the Kisumu County – ICRMS phase 1 Milestone report.

The milestone was completed within the agreed timeline, budget, and quality standards.

The system was successfully implemented, tested, deployed, and piloted for the unstructured revenue streams.

The system met the expectations and requirements of the county and the users. The system was declared ready to go live for the unstructured revenue streams as documented.

ii. **Phase 2:**

Implementation of Unstructured revenue streams as shown in the table below:

	Structured Revenue Streams (Phase 2)	**Status**
1	Single/Unified Business Permits – Trade licenses	Operational
2	Public Health	Operational
3	Fines & Penalties	Operational
4	Rent and Stalls	Operational
5	Liquor Licence	Operational
6	Property Rates/Land Rates	Operational
	Other Requirements	
A	Enforcement Payment channels (WhatsApp, Web self-service portal)	Operational
B	Citizen App (MyCounty App on Android & iOS)	Operational

Key milestone achievements:

- Integrated County Revenue Management platform overall stability and service reliability achieved as per the SLA.
- The structured revenue streams above tested and deployed on the platform successfully.
- User Testing & Operational acceptance completed as documented in the report.
- The milestone was completed within the agreed timeline, budget, and quality standards.
- The system was successfully implemented, tested, deployed, and enabled for the structured revenue streams. The system met the expectations and requirements of the County Government of Kisumu officials and the users of County services (the 'customer').

References:

Attachment 6: Kisumu County – ICRMS Phase 2 Milestone Report

iii. Phase 3:

Implementation of the remaining Structured Revenue Streams as shown in the table below:

	Structured Revenue Streams (Phase 3)	**Status**
1	Outdoor Advertising – ODA	Operational
2	Hire of County Assets	Operational
3	Physical Planning (E-Construction)	Operational
4	GIS & Mapping Integration (3rd party systems)	30% done
5	Hospital Payment Integration (3rd party systems)	90% done

Key milestone achievements:

- Integrated County Revenue Management platform overall stability and service reliability achieved as per the SLA.
- The structured revenue streams above tested and deployed on the platform successfully.
- User Testing & Operational acceptance completed as documented in the report.
- The system was successfully implemented, tested, deployed, and enabled for the structured revenue streams. The system met the expectations and requirements of the County Government of Kisumu officials and the users of County services (the 'customer').
- Overall progress of Phase 3 implementation is 84% pending cadastral data from the County Government of Kisumu for the mapping and integration of the Geographic Information System (GIS) module.

References:

Attachment 7: Kisumu County – ICRMS Phase 3 Milestone Status Report

3.4 **Operational Acceptance Status**

The ICRMS for the County Government of Kisumu was designed, deployed, tested and accepted by the respective county officials in ICT & Revenue departments as guided through the Contract Clause 4.1 definitions of: (gg) – **'Operational Acceptance Test'** and (hh) – **'Operational Acceptance'**

The testing operational acceptance reports are annexed to this document with the summary as below:

	County Government of Kisumu Revenue Streams	**Status**
1	Parking (Daily parking, Seasonal Parking, Monthly stickers)	Accepted
2	Cess	Accepted
3	Markets	Accepted
4	Bus Parks	Accepted
5	Slaughter house	Accepted
6	Stock Ring/Cattle Ring	Accepted
7	Single/Unified Business Permits – Trade licences	Accepted
8	Public Health	Accepted
9	Fines & Penalties	Accepted
10	Rent and Stalls	Accepted
11	Liquor Licence	Accepted
12	Property Rates/Land Rates	Accepted
13	Outdoor Advertising – ODA	Accepted
14	Hire of County Assets	Accepted
15	Physical Planning (E-Construction)	Accepted
16	GIS & Mapping Integration (3rd party systems)	30% complete
17	Hospital Payment Integration (3rd party systems)	90% complete
	Integrated County Revenue Management Platform	
A	Platform hosted with 24/7/365 99% high availability in Safaricom data centers – Nairobi & Kisumu, Kenya	Accepted
B	Cyber security – Compliance to agreed Technology controls as per the contract.	Accepted

C	Mobile devices managed through an MDM (Cyber security defence solution)	Accepted
D	Systems Integration to Payment gateways to automate Revenue collections – MPESA & Bank	Accepted

References: Appendix D – Testing & Acceptance Report of Kisumu County ICRMS – Phase 1 & Kisumu County – ICRMS Phase 2 & 3 documents.

Conclusion:

The project has achieved full delivery across Phases 1 and 2 and is nearing completion in Phase 3. Final closure is contingent on the County providing the required GIS data for validation and completion.

- **Phase 1:** ✅ 100% completed and closed
- **Phase 2:** ✅ 100% completed and closed
- **Phase 3:** 🔄 96% complete
- **Pending (4%):** External dependency – GIS codes trial data provision by the County

4. INTEGRATED REVENUE MANAGEMENT SYSTEM AUDIT REPORT UP TO THE PERIOD ENDED 30TH JUNE 2025

4.1 Introduction

The contractual framework governing the relationship between the County Government of Kisumu and Safaricom PLC does not impose any obligation on Safaricom PLC to independently undertake, commission, certify, or issue statutory audit reports on behalf of the County Government. Any such audit functions, where required, remain within the mandate of the County Government and/or the relevant statutory oversight authorities.

Safaricom's obligations under the Agreement are strictly limited to the provision, support, maintenance, and security management of the ICRMS in accordance with the agreed contractual terms, service levels, and technical specifications.

4.2 Scope of the System Provider's Contractual Obligations

Under the contract between the parties, the obligations of the System Provider include, among others, provision and maintenance of the Integrated Revenue Management System:

- Hosting and/or technical support services (where applicable);
- System security management;
- User authentication controls;
- Password management mechanisms;
- Maintenance of transaction audit trails and activity logs;
- System availability and technical support.

The contract expressly provides for the System Provider to maintain:

(a) Audit Trails

The system maintains comprehensive audit trails for:

- Revenue transactions;
- User logins and logouts;
- Transaction approvals and reversals;
- Changes to user profiles and permissions;
- System-generated activities;

- Administrative actions undertaken within the system.

These audit trails are retained within the system and can be made available to authorized officers or auditors upon lawful request and in accordance with access protocols.

(b) Authentication and Access Controls

The system contains authentication controls including:

- Unique user credentials;
- Role-based access permissions;
- Password enforcement policies;
- User activity tracking;
- Access restriction mechanisms.

(c) Password Management

The system supports secure password management practices including:

- Password complexity requirements;
- Password expiry controls (where configured by the County);
- Password reset procedures;
- Restricted administrator access.

(d) System Security

The System Provider implements reasonable security safeguards including:

- Access control measures;
- Data protection protocols;
- Secure communication channels;
- System monitoring mechanisms;
- Security patching and maintenance procedures.

4.3 Position on the Requested "Audit Report"

Safaricom confirms that it has not undertaken any independent audit for the period ended 30th June, 2025 and is therefore unable to provide or submit a report in respect thereof.

4.4 Availability of System Logs and Technical Records

While Safaricom does not prepare statutory audit reports, the following technical records may be available upon formal request and subject to applicable confidentiality and data protection obligations:

- Transaction audit logs;
- User access logs;
- Authentication records;
- System activity trails;
- Security event logs;
- Administrative action records;
- Revenue transaction histories generated within the system.

Such records can assist authorized auditors or investigators in conducting an independent audit or review.

4.5 Responsibility for Revenue Reconciliation and Financial Reporting

Safaricom further clarifies that responsibility for:

- Revenue reconciliation;
- Financial reporting;
- Banking reconciliation;
- Cash accountability;
- Revenue collection oversight;
- Accounting controls; and
- Statutory audit compliance

rests with the County Government and its designated officers under the applicable public finance management laws and regulations.

The ICRMS functions as a technological platform for recording and managing transactions, but operational accountability and financial oversight remain with the County Government.

4.6 Cooperation with Authorized Audit Processes

Safaricom remains willing to cooperate with any lawful and properly authorized audit, inquiry, or investigation by:

- Providing system-generated audit trails;
- Explaining system controls and functionality;
- Demonstrating security and authentication features;
- Assisting authorized auditors to extract relevant system logs;
- Supporting verification of transaction integrity within the system.

Such cooperation shall be undertaken strictly within the scope of the contract, applicable law, confidentiality obligations, and data protection requirements.

4.7 Conclusion

In summary, Safaricom's role under the Agreement is strictly limited to the provision, operation, maintenance, and security management of the system, including functionalities such as audit trails, authentication controls, password management, and overall system security. To the extent required, Safaricom PLC may provide technical audit logs and system-generated records extracted from the system following a formal request.

For avoidance of doubt, financial accountability, statutory audit obligations, and issuance of audit reports remain solely within the mandate of the County Government and other constitutionally or statutorily established oversight institutions. Safaricom, however remains committed to supporting transparency, accountability, and lawful oversight processes strictly within the confines of its contractual mandate.

5. TRAINING RECORDS FOR ALL THE SIX TARGET GROUPS UNDER CLAUSE 9.8 OF THE CONTRACT AGREEMENT (ICT TEAM – 30, SUPER USERS – 15, SUPERVISORS – 40, COLLECTORS -400, ENFORCEMENT – 300, DECISION MAKERS – 50), INCLUDING ATTENDANCE LISTS AND EVALUATION EVIDENCE.

5.1 Training Requirement in the Contract

Section 9 of the Contract provides guidance on the training requirements. The overall objective of the training of the County Government of Kisumu officials was to enable effective and efficient use of the Integrated County Revenue Management System.

The training goals, structure, manuals, user guides/training materials were prepared by Safaricom PLC and approved by the County Government of Kisumu in line with the training requirements of the targeted user groups.

The methodology of the training was a mix of Instructor led sessions, Training of Trainers (TOT) sessions as well as practical experience on the Integrated County Revenue Management System test environments with targeted goals of ensuring full understanding of the workflows, county revenue streams, platform capabilities and use of mobile channels provided.

The County Government of Kisumu selected and approved the target groups to be trained of whom Safaricom PLC provided out of office training as documented in the training report. The target officer groups included:

- Technical team in ICT department.
- System Administrators & Revenue Administrators.
- Supervisors.
- Revenue Collectors.
- Enforcement officers.
- Revenue Board Executives & revenue team.

5.2 Training Schedules

	Training Session	Number of Trainees
1	Park View Hotel – 30th November 2023	41
2	Sunset Hotel – 1st December 2023	48
3	Park View Hotel - 4th December 2023	32
4	Park View Hotel – 5th December 2023	40
5	Reed Rivera Hotel (Nyakach) – 6th December 2023	38
6	Park View Hotel – 7th December 2023	66
7	Katito Nyakach – 8th December 2023	24
8	Park View Hotel – 13th December 2023	18
9	Park View Hotel – (Kisumu Central) 18th December 2023	77
10	Seme & Nyando sub counties – 19th December 2023	67
11	Park View Hotel – Kisumu East & Kisumu West – 20th Dec 2023	50
12	Rosa Garden Muhoroni & Nyando – 21st December 2023	31
13	Park View Hotel – Muhoroni & Nyando 22nd December 2023	34

NO.	Training	Training Delegates	Date	Location	Number of Attendees
1	Training for Muhoroni and Nyando Sub-Counties	Revenue Supervisors | Revenue officers	22/12/2023	Parkview Hotel, Kisumu	34
2	Training for Muhoroni and Nyando Sub-Counties	Revenue Supervisors | Revenue officers	21/12/2023	Rosa Garden, Muhoroni	31
3	Training for Kisumu East and Kisumu West Sub-Counties	Revenue Supervisors | Revenue officers	20/12/2023	Parkview Hotel, Kisumu	50
4	Training for Seme and Nyando Sub County	Revenue Supervisors | Revenue officers	19/12/2023	Parkview Hotel, Kisumu	67
5	Training for Kisumu Central and Kadibo Subcounties	Revenue Supervisors | Revenue officers	18/12/2023	Parkview Hotel Kisumu	77
6	Training of Trainers	Revenue Supervisors | Revenue officers	13/12/2023	Parkview Hotel Kisumu	18
7	Training for Nyakach Sub-Counties	Revenue Supervisors | Revenue officers	12/08/2023	Reeds Rivera , Katito	24
8	ICT and TOT and Nyakach	Revenue Supervisors | Revenue officers	12/07/2023	Parkview Hotel Kisumu	66
9	Training for Nyakach Sub-County	Revenue Supervisors | Revenue officers	12/06/2023	Reeds Rivera , Katito	36
10	ICT and TOT	ICT | Revenue Supervisors	12/05/2023	Parkview Hotel Kisumu	40
11	Training of Trainers (TOT)	Revenue Supervisors	12/04/2023	Parkview Hotel Kisumu	32
12	User Walkthrough Session 2	ICT team |Revenue Supervisors|	12/01/2023	Sunset Hotel , Kisumu	48
13	User Walkthrough Session	ICT team |Revenue Supervisors|	30/11/2023	Parkview Hotel Kisumu	41

	Training Session	Number of Trainees
1	Park View Hotel – 24th May 2024	48
2	Park View Hotel – 10th June 2024	73
3	Park View Hotel – 11th June 2024	71
4	Park View Hotel – 12th June 2024	39

NO.	Training	Training Delegates	Date	Location	Number of Attendees
1	Training on structured revenue streams - Liquor Module | Public Health | Property rates | Rents and stalls |	Revenue Supervisors | Revenue officers	24/05/2024	Parkview Hotel, Kisumu	47
2		Revenue Supervisors | Revenue officers	11/06/2024	Parkview Hotel, Kisumu	71
3		Revenue Supervisors | Revenue officers	10/06/2024	Parkview Hotel, Kisumu	63
4		Revenue Supervisors | Revenue officers	12/06/2024	Parkview Hotel, Kisumu	39

5.3 References

- Appendix B of Kisumu County – ICRMS Phase 1 Milestone Report (Attachment 5)
- Appendix B of Kisumu County - ICRMS Phase 2 Milestone Report (Attachment 6)

6. POST IMPLEMENTATION REPORT FOR KISUMU CITY AND THE ADDITIONAL SUB-COUNTY UNDER SPECIAL CONDITION III AS PER THE CONTRACT AGREEMENT

The pilot implementation was conducted in Kisumu Central and Nyakach Sub Counties in compliance with the Special Conditions of the Contract, Clause III. The pilot of Revenue collection system for a period of one month was carried out at this phase during which the system was deployed for Nyakach Sub County and Kisumu Central Sub County locations and monitored for any issues or feedback.

The pilot was done to test the system in a real-world setting and to collect data and insights on the system performance, user experience, and customer satisfaction. The pilot locations were recommended by the County Government of Kisumu. The pilot outcome and feedback were documented and shared. Findings and learnings captured in Appendix C – Pilot Learnings. The system was successfully implemented, tested, deployed, and enabled for the revenue streams under the phased implementation model. The system met the expectations and requirements of the County Government of Kisumu officials and the users of County services.

7. CLOUD HOSTING, SECURITY, AUDIT TRAIL AND BACK UP DOCUMENTATION UNDER CLAUSE 12.0 AND SECTIONS R, U OF THE TECHNICAL REQUIREMENTS OF THE CONTRACT AGREEMENT.

In alignment with Clause 12.0 and Sections R and U of the Technical Requirements under the Contract Agreement, Safaricom has implemented a secure, resilient, and compliant cloud hosting and cybersecurity framework for the Kisumu ICRMS. The solution is hosted within Safaricom's secure cloud infrastructure using a dedicated Virtual Data Center architecture supported by both a Primary Site and Disaster Recovery Site to ensure high availability, business continuity, and operational resilience.

Safaricom complies with ISO 27001 and other recognized cybersecurity best practices to ensure that the platform and supporting infrastructure are secure by design and continuously protected against evolving threats. In addition, multiple layers of security controls, monitoring capabilities, audit mechanisms, and access management processes have been deployed to safeguard county revenue operations, protect sensitive data, and provide continuous visibility, accountability, and secure administration of the platform.

7.1 Cloud Hosting, Infrastructure and Back up

The system is hosted in a secure cloud environment provided by Safaricom PLC as required under Clause 12.0 of the Contract which states that Safaricom PLC shall provide Cloud hosting and security services for a period of 3 years. During this time, the appointed ICT officers from the County Government of Kisumu shall be granted all the administrative and super access rights to the solution by Safaricom PLC.

The hosting, security shall be as per the response provided in 2.2.5 of the Tender Document by Safaricom PLC on IRMS Cloud Hosting Architecture (Server, storage & security services), Systems security/Audit trail and administrative module as per the response to the Tender.

Safaricom hosts the Kisumu ICRMS solution within its Safaricom cloud environment using a dedicated Virtual Data Center (VDC) architecture. The

infrastructure consists of both a Primary Site and a Disaster Recovery (DR) Site to ensure high availability, business continuity, and operational resilience.

The Primary Site operates from Safaricom's Data Center in Nairobi, Kenya, while the Disaster Recovery Site is located at Kiboswa in Kisumu, Kenya. Both environments are configured to support secure and reliable application hosting.

Each Virtual Data Center (VDC) environment includes the following core components:

- Firewalls for network security and traffic control.
- Application servers for hosting and running the RMS application.
- Monitoring tools for security oversight and performance management.

The Primary cloud environment in Nairobi is continuously replicated and backed up to the Secondary Disaster Recovery (DR) site in Kisumu, providing near real-time synchronization of the entire system environment.

The infrastructure is also equipped with comprehensive monitoring and security management tools.

In addition to infrastructure-level monitoring, the RMS application itself includes an internal audit logging mechanism. This audit tool records all user activities within the system, enabling traceability, accountability, and compliance reporting.

7.2 Cyber Security system/Audit Trail and Administration

Safaricom PLC complies to the Cybersecurity controls (e.g. ISO27001, ISO22301) and implements safeguards to always ensure its solutions are secure by design.

7.3 Security Controls Applied Within the ICRMS Platform

a) Access Controls

- Secure access through SSL VPN connectivity for approved support personnel only.
- Role-based and privileged access management using Privileged Identity Management (PIM) servers.
- Restricted administrative access based on the principle of least privilege.

- Controlled authentication and authorization processes for system administrators and support teams.

b) Prevention Controls

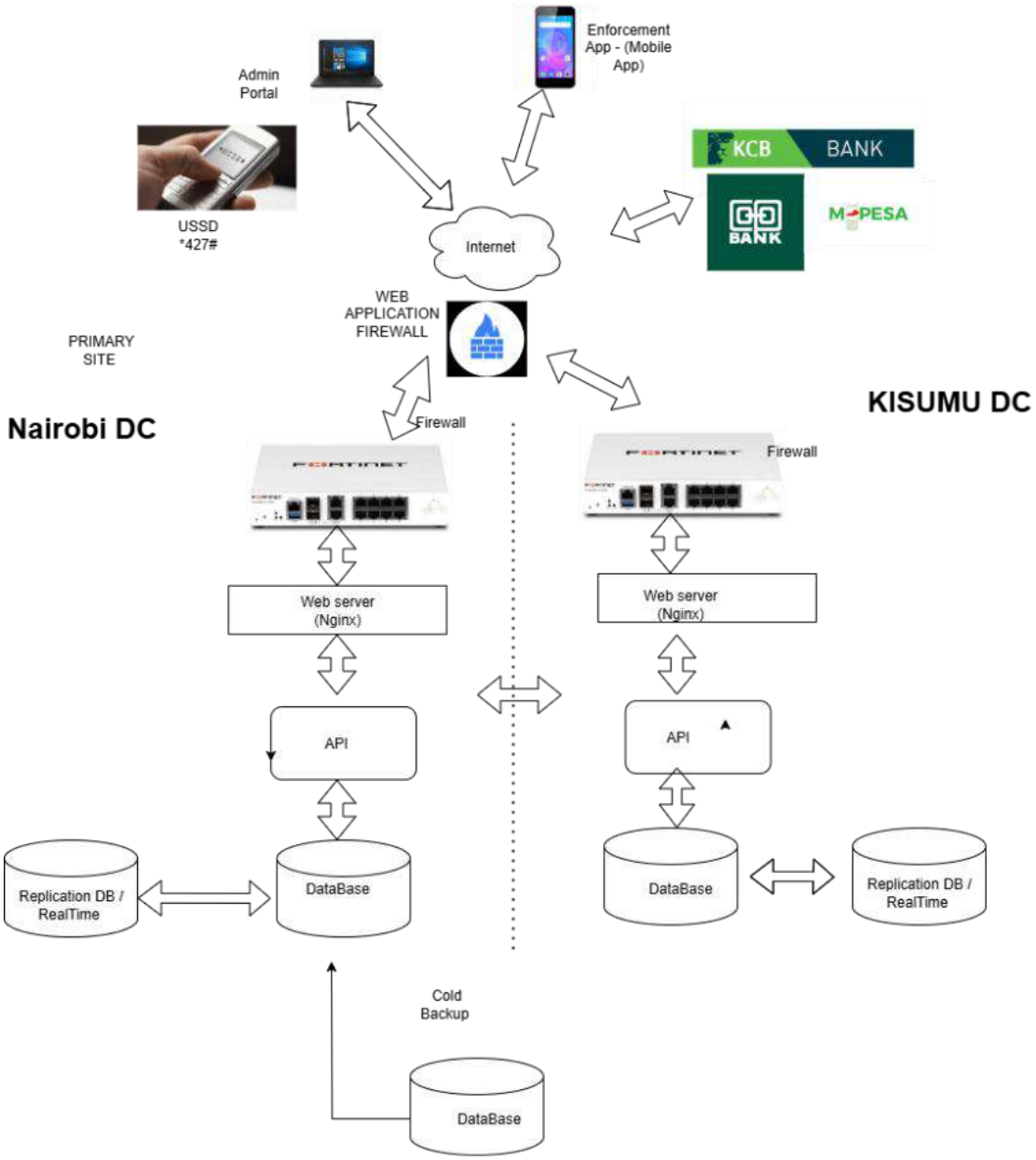
- Endpoint protection using CrowdStrike antivirus and endpoint detection solutions.
- Web Application Firewall (WAF) protection to secure web-facing services and applications.
- Enterprise-grade firewalls to secure network boundaries and regulate traffic flow.
- Mobile Device Management (MDM) controls for the Enforcement Mobile Application.
- Security hardening measures across servers and application environments.
- Controls to prevent unauthorized system changes and malicious intrusions.

7.4 Monitoring and Security Operations

- Database activity monitoring.
- Server and operating system activity monitoring.
- Network traffic and security event monitoring.
- Centralized log collection and event correlation across infrastructure components.
- Real-time alerting and incident monitoring.

The Security Operations Center (SOC) operates on a 24/7/365 basis.

Architectural Representation



The deployed hosting and cybersecurity architecture fully complies with the Technical Requirements of the Contract Agreement. Through secure cloud hosting, disaster recovery capabilities, advanced security controls, continuous monitoring, and audit logging, the solution provides Kisumu County with a resilient and secure environment for the ICRMS platform. The implementation aligns with ISO 27001 standards and industry best practices to ensure availability, data protection, accountability, and operational continuity.

8. A REPORT OF THE DATA OWNERSHIP, DATA PROTECTION AND CITIZEN PRIVACY OBLIGATIONS, UNDER THE DATA PROTECTION ACT, 2019, THE COMPUTER MISUSE AND CYBER CRIMES ACT, 2018 AND THE ACCESS TO INFORMATION ACT, 2016, INCLUDING HOSTING LOCATION, CROSS BORDER DATA TRANSFERS, AND LAWFUL BASIS FOR PROCESSING RATEPAYER PERSONAL DATA WITHIN THE INTEGRATED REVENUE MANAGEMENT SYSTEM.

Safaricom PLC ensured that the guidelines provided for by the Data Protection Act, 2019, the Computer Misuse and Cybercrimes Act, 2018 and the Access to Information Act, 2016 are well implemented in order to safeguard its obligations while deploying the Integrated County Revenue Management System for the County Government of Kisumu.

During the project implementation, Safaricom PLC carried out the Data protection Impact Assessment (DPIA) with a goal to screen, evaluate any Data privacy risks associated with the project and to ensure that compliance with the Data Protection act of Kenya, 2019.

The integrated County Revenue Management System went through the Data privacy Assurance which established:

i) County Government of Kisumu as the **Data Controller.**
ii) Safaricom PLC and its Partner RevTech Innovation Limited as being **Data Processors**
iii) The lawful basis is 'Performance of a Contract' as per the Contract between Safaricom PLC and the County Government of Kisumu.
iv) Noting the contractual relationship between Safaricom PLC and RevTech Innovation Limited, the system and all data processed therein is hosted in Kenya and specifically at the Safaricom Data Centers.

Data Privacy Assurance within the ICRMS	
Lawful Basis for Processing	Both Data Controllers and Data Processors must ensure lawful processing of personal data, adequate security safeguards, and that data subject rights are respected. Safaricom PLC established the lawful basis as the Performance of a Contract whereby Safaricom PLC is the Data Processor acting under the Instructions of the Data Controller (County Government of Kisumu) as per the agreement signed between the parties. The County Government of Kisumu defines the purpose of processing as well as the personal data to be processed to ensure quality of service delivery and revenue collection. Safaricom PLC endures secure and compliant execution and management of the Integrated County Revenue Management System as per the instructions of the County.
Data Ownership	The Citizens of Kisumu County are the owners of their personal data. They however allow the County Government of Kisumu to use and control the processing of their information whenever they use the Integrated County Revenue Management System. Safaricom PLC as the Integrated County Revenue Management System service provider / Vendor does not own any Data.
Data Protection & Citizen Privacy Obligations under applicable laws	Safaricom PLC has implemented adequate technical and organizational safeguards to ensure the delivery of a compliant Integrated Revenue Management System / platform. Organizational safeguards implemented include a valid Contract between Safaricom PLC and the County Government of Kisumu with clear responsibility and Escalation Matrices as well as delivering a simple and easy to access platform for the data subjects of Kisumu County.

	Safaricom PLC observes Data privacy by design and therefore Implemented Technical safeguards to ensure a safe and secure Integrated County Revenue Management Platform. The platform undergoes Cyber security testing and assurance to ensure minimal to no service interruption due data loss or platform unavailability. Safaricom PLC continues to support and observe its obligations as a data processor to provide the County Government of Kisumu with a reliable, safe and secure Integrated County Revenue Management System as well as remaining at hand to provide timely support whenever required.
Hosting Location	The Integrated County Revenue Management System (ICRMS) is hosted in Safaricom private data centres in Kenya and specifically in Nairobi (Safaricom Care Centre) and Kisumu (Safaricom Kiboswa Data centre)
Cross Border Data Transfers	No Data is transmitted outside Kenya Recognizing the criticality of the County Government of Kisumu services provided and the Data localization requirements, Safaricom PLC ensures that all data is processed and hosted locally in Kenya.

9. THE METHODOLOGY OF COMPUTATION OF THE 4% OF THE TOTAL REVENUE COLLECTED UNDER THE SYSTEM.

Safaricom PLC provides 24/7/365, 99% Integrated County Revenue Management system availability.

The Contract in Clause V of the Special Conditions of the Tender provides for a recurrent charge of 4% of total revenue collected via the Integrated County Revenue Management system, categorized as a Software-as-a-Service (SaaS) cost for support, maintenance, hosting, and operations.

The methodology for computation of the 4% fee under the ICRMS is based on the total eligible county own-source revenue successfully collected and reconciled through the system within a specified reporting period.

For purposes of computation - Total Revenue Collected refers to all successfully paid and reconciled county own-source revenue transactions processed through the ICRMS channels during the reporting period.

The computation excludes:

- Failed transactions.
- Reversed or voided transactions.
- Refunded transactions.

ICRMS SaaS Fee = 4% × Total Eligible Revenue Collected.

Parameters for computing the Total Eligible Revenue:

- Actual Revenue collected through the ICRMS platform.
- Reconciliation Reports against the ICRMS system generated reports.
- Signed off Verification procedure outcome (done by revenue officers).

Definition of SaaS (Software as a Service)

Software as a Service (SaaS) refers to a managed service model where the software platform is centrally hosted, operated, maintained, secured, and continuously enhanced by the service provider, while the client accesses it as a continuous service rather than owning the software outright.

Within the RMS engagement, SaaS covers the ongoing operational lifecycle of the system, including:

- Hosting infrastructure and system availability management
- Continuous system maintenance and technical support
- Security management, access control, and compliance monitoring
- Software upgrades, enhancements, and patch management
- Integration support with payment channels and third-party systems
- Disaster recovery, backup, and business continuity services
- Monitoring, reconciliation, and operational support services

Basis of the 4% SaaS Fee

The 4% SaaS fee was commercially agreed upon during negotiations between Safaricom PLC and the County Government as the recurring consideration for the ongoing provision, operation, and support of the RMS platform.

The percentage-based structure was adopted to:

- Align service costs with actual revenue performance and system usage
- Ensure scalability of fees relative to collections
- Support sustainability of long-term system operations
- Incentivize continuous system optimization, uptime, and revenue efficiency

10. A REPORT OF THE STATUS OF THE OPERATIONAL ACCEPTANCE TESTS AND OPERATIONAL ACCEPTANCE UNDER CLAUSE 4.1 OF THE CONTRACT, INCLUDING STREAM BY STREAM ACCOUNT OF WHICH REVENUE STREAMS ARE OPERATIONAL, PARTIALLY OPERATIONAL, OR NONFUNCTIONAL

County Government of Kisumu Revenue Streams	Status	
Parking (Daily parking, Seasonal Parking, Monthly stickers)	Accepted	Operational
Cess	Accepted	Operational
Markets	Accepted	Operational
Bus Parks	Accepted	Operational
Slaughter house	Accepted	Operational
Stock Ring/Cattle Ring	Accepted	Operational
Single/Unified Business Permits – Trade licences	Accepted	Operational
Public Health	Accepted	Operational
Fines & Penalties	Accepted	Operational
Rent and Stalls	Accepted	Operational
Liquor Licence	Accepted	Operational
Property Rates/Land Rates	Accepted	Operational
Outdoor Advertising – ODA	Accepted	Operational
Hire of County Assets	Accepted	Operational
Physical Planning (E-Construction)	Accepted	Operational
GIS & Mapping Integration (3rd party systems)	80% complete (capability is available; will be functional once cadastral data is provided)	Non-functional
Hospital Payment Integration (3rd party systems)	100% complete	Operational

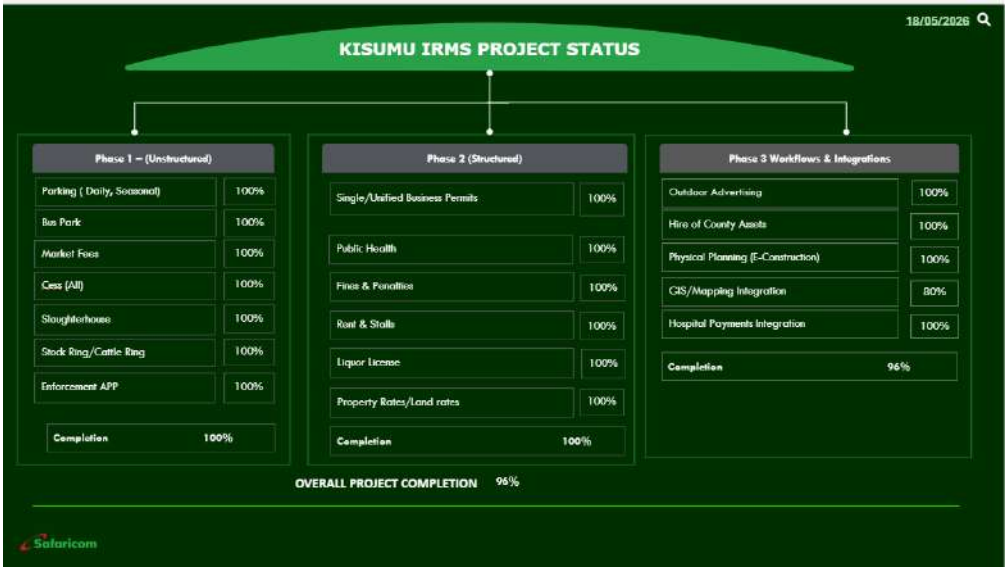
Additional work done out of scope:

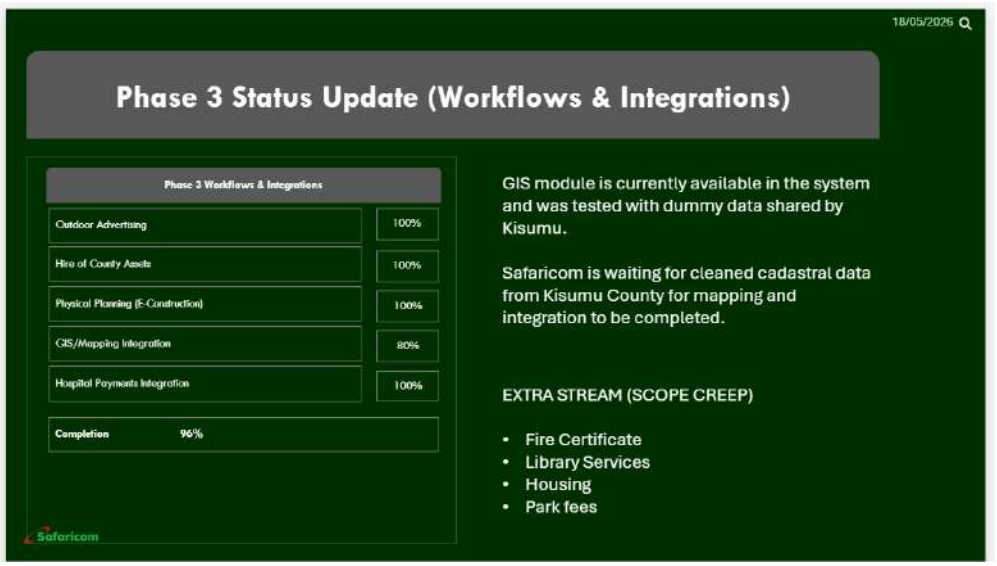
Fire certificate - 100% complete - Operational

Library services - 100% complete - Operational

Housing - 100% complete - Operational

Park fees - 100% complete - Operational





11. A REPORT OF THE SAFEGUARD MEASURES IMPLEMENTED FOR THE REVENUE MANAGEMENT SYSTEM.

To ensure the confidentiality, integrity, and availability of the ICRMS, Safaricom has implemented a comprehensive security framework comprising layered access controls, preventive security technologies, continuous monitoring, and audit management capabilities. The deployed controls are aligned with ISO 27001 standards and industry cybersecurity best practices to safeguard the infrastructure, applications, databases, APIs, and user access across the entire RMS environment. Through secure administration, proactive threat detection, real-time monitoring, and centralized security operations, the platform provides a secure, accountable, and resilient operating environment for Kisumu County's revenue operations.

Security Controls Applied Within the Environment

To safeguard the platform, various security controls and governance measures have been implemented to ensure a secure, credible, and accountable operating environment. These controls are designed to protect the infrastructure, applications, data, and user access across the entire RMS ecosystem.

Access Controls

Access to the platform is tightly controlled through defined security policies and layered access management mechanisms.

Key access security measures include:

- Secure access through SSL VPN connectivity for approved support personnel only
- Role-based and privileged access management using Privileged Identity Management (PIM) servers
- Restricted administrative access based on the principle of least privilege
- Controlled authentication and authorization processes for system administrators and support teams

These measures ensure that only authorized personnel can access critical systems and perform administrative functions.

Prevention Controls

Multiple preventive security technologies have been deployed to protect the environment against unauthorized access, malware, and cyber threats.

The implemented controls include:

- Endpoint protection using CrowdStrike antivirus and endpoint detection solutions
- Web Application Firewall (WAF) protection to secure web-facing services and applications
- Enterprise-grade firewalls to secure network boundaries and regulate traffic flow
- Mobile Device Management (MDM) controls for the Enforcement Application to secure and manage authorized mobile devices, enforce security policies, and control application access
- Security hardening measures across servers and application environments
- Controls to prevent unauthorized system changes and malicious intrusions

These technologies provide layered defense mechanisms to reduce the risk of compromise and maintain system integrity.

Monitoring and Security Operations

The environment is continuously monitored using multiple security and performance monitoring tools to enable proactive threat detection and rapid incident response.

Monitoring capabilities include:

- Database activity monitoring
- Server and operating system activity monitoring
- Network traffic and security event monitoring
- Centralized log collection and event correlation across infrastructure components
- Real-time alerting and incident monitoring

Security logs and events from various devices and systems are aggregated and correlated to provide comprehensive visibility into the security posture of the environment.

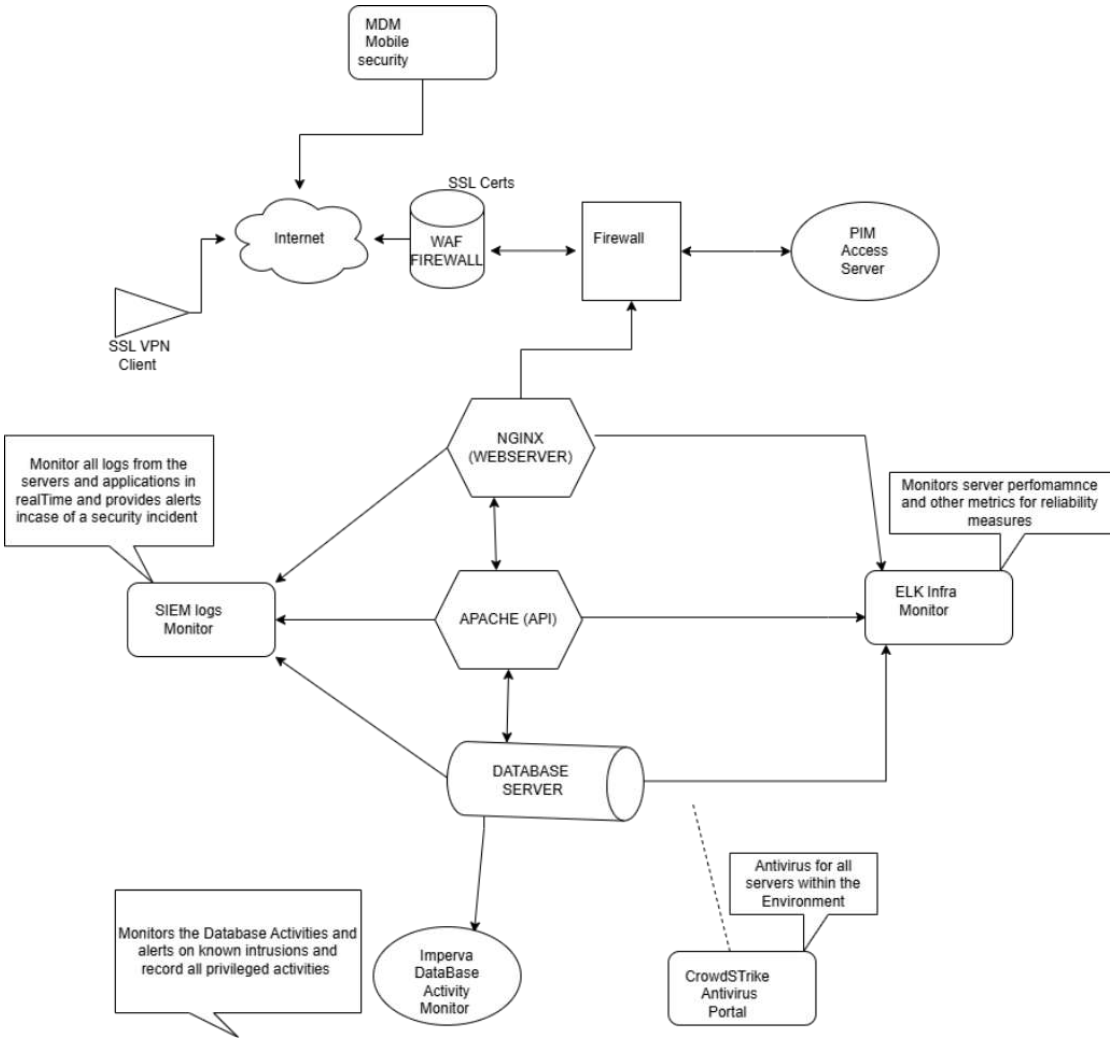
The Security Operations Center (SOC) operates on a 24/7 basis, ensuring continuous oversight, threat monitoring, and response capability across the platform infrastructure.

Below table summarizes the security layers offered by Safaricom to safeguard RMS

Control	What It Is About	Customer Benefit
MDM Mobile Security	Mobile device management and endpoint protection	Secures mobile devices, enforces policies, and reduces endpoint security risks
WAF Firewall	Web application firewall protecting internet-facing services	Blocks malicious traffic, attacks, and unauthorized access attempts
Firewall	Network traffic filtering and segmentation	Protects internal systems and controls access between environments
PIM Access Server	Privileged Identity Management for secure admin access	Controls and audits privileged access to critical systems
SIEM Logs Monitor	Centralized log collection and security event monitoring	Provides real-time visibility, alerts, and incident detection
ELK Infra Monitor	Infrastructure and application performance monitoring	Improves reliability through proactive monitoring and alerting
NGINX Web Server	Frontend web server and reverse proxy	Enhances scalability, availability, and web traffic management

Apache API	API gateway/application integration layer	Supports secure and reliable API communication and integrations
Database Server	Core enterprise data storage platform	Ensures secure storage and availability of business data
Imperva Database Activity Monitor	Database activity and intrusion monitoring	Detects suspicious database activity and supports compliance
CrowdStrike Antivirus Portal	Endpoint detection and antivirus protection	Protects servers and endpoints from malware and cyber threats

KISUMU RMS Security Architecture



To safeguard the platform, various security controls and governance measures have been implemented to ensure a secure, credible, and accountable operating environment.

11.1 Access Controls

- Secure access through SSL VPN connectivity for approved support personnel only.
- Role-based and privileged access management using Privileged Identity Management (PIM) servers.
- Restricted administrative access based on the principle of least privilege.

11.2 Preventive Measures

- Endpoint protection using CrowdStrike antivirus and endpoint detection solutions.
- Web Application Firewall (WAF) protection.
- Enterprise-grade firewalls.
- Mobile Device Management (MDM) controls.
- Security hardening measures.

11.3 Monitoring and Security Operations

- Database activity monitoring.
- Server and operating system activity monitoring.
- Network traffic and security event monitoring.
- Centralized log collection and event correlation.
- Real-time alerting and incident monitoring.

11.4Audit Trail Measures

- Logging of user activities.
- Secure audit log storage.
- Role Based Access Controls.
- Detection of unauthorized access.

The implemented security architecture provides a multi-layered defense framework that protects the RMS platform against unauthorized access, cyber threats, data compromise, and operational disruptions. Through strong access governance, preventive security controls, continuous monitoring, audit trail capabilities, and 24/7 Security Operations Center oversight, Safaricom ensures a secure, reliable, and compliant environment that supports the integrity, availability, and accountability of Kisumu County's revenue management operations.

12. A REPORT AND PAYMENT EVIDENCE OF THE TOTAL AMOUNTS PAID TO DATE (MATERIALISATION FEE PLUS 4% RECURRENT), REVENUE UPLIFT ATTRIBUTABLE TO THE SYSTEM

Introduction

This section provides a consolidated report covering three key components:

- Payments made to date in respect of the Materialisation (Implementation) Fee and the 4% recurrent Software as a Service (SaaS) charges under the Revenue Management System (RMS) engagement, including invoice references, receipt numbers, and supporting payment documentation;
- An explanation of the SaaS commercial model, including how the 4% recurrent charge was derived and how it differs from the implementation fee; and
- An analysis of revenue uplift observed following implementation and operational stabilization of the RMS, based on official County Own Source Revenue reports.

The assessment is intended to provide clarity on both the contractual payment structure and the performance impact of the RMS on revenue collection efficiency and administration.

Contractual Basis for Payments

Clause 8.0 – Charges and Service Levels of the contract defines the commercial framework governing payments by the County Government of Kisumu to Safaricom PLC. This clause outlines both the implementation fee structure and the recurring SaaS-based revenue share model.

The pricing structure was agreed upon through commercial negotiations between both parties and reflects a dual-component model comprising:

- A one-time implementation fee; and
- A recurring SaaS fee linked to system usage and revenue performance.

Implementation Payments (Materialisation Fees)

The implementation fee represents a one-time cost incurred during the deployment and operationalization of the RMS.

Total Contracted Implementation Amount - KES 49,556,676.09 (Tax Inclusive)

Payment Phases	**Description**	**Components**	**Total Amount Paid**
Phase1 40%	Implementation, Go Live (Phase 1)	Unstructured Revenue Streams	KES 19,480,899.85
Phase 2 40%	Implementation, Go Live (Phase 2)	Structured Revenue Streams (Phase 2)	KES 19,474,953.03
Phase 3 20%	Implementation, Go Live (Phase 3)	Structured Revenue Streams (Phase 3) & 3rd party systems Integrations	
		Total Payments Received (KES)	**KES 38,955,852.88**

The implementation fee covered:

- System configuration and deployment
- Revenue stream onboarding
- Integrations with payment channels and third-party systems
- Training and change management
- Data migration and go-live support

Software as a Service (SaaS) Fees

Description	Account Number	Account Name	Invoice / Receipt No.	Date	Amount (KES)	Status
Payment for SaaS Revenue (July 2024 – May 2025)	1-541200419774	COUNTY GOVERNMENT OF KISUMU	**Invoice No.:** *B1-30022081830* **Receipt No.:** *202603100021722-1*	**Invoice Date.:** 01/08/2025 **Payment Date.:** 11/03/2026	**Invoice Amount.:** 26,943,668.00 **Paid Amount.:** 26,378,713.63	Pending balance of 563,954.37
BILLING OF SAAS (RMS REVENUE SHARE) UP UNTIL JANUARY 2026	1-491561014076	COUNTY GOVERNMENT OF KISUMU	726900	21/4/2026	15714388.92	Not Paid

References:

Attachment 8: Invoice No.: B1-30022081830

Attachment 9: Invoice No.: 726900

Attachment 10: Joint Reconciliation Report - July 2024 to May 2025

Attachment 11: Joint Reconciliation Report - June 2025 to January 2026

Additional Note

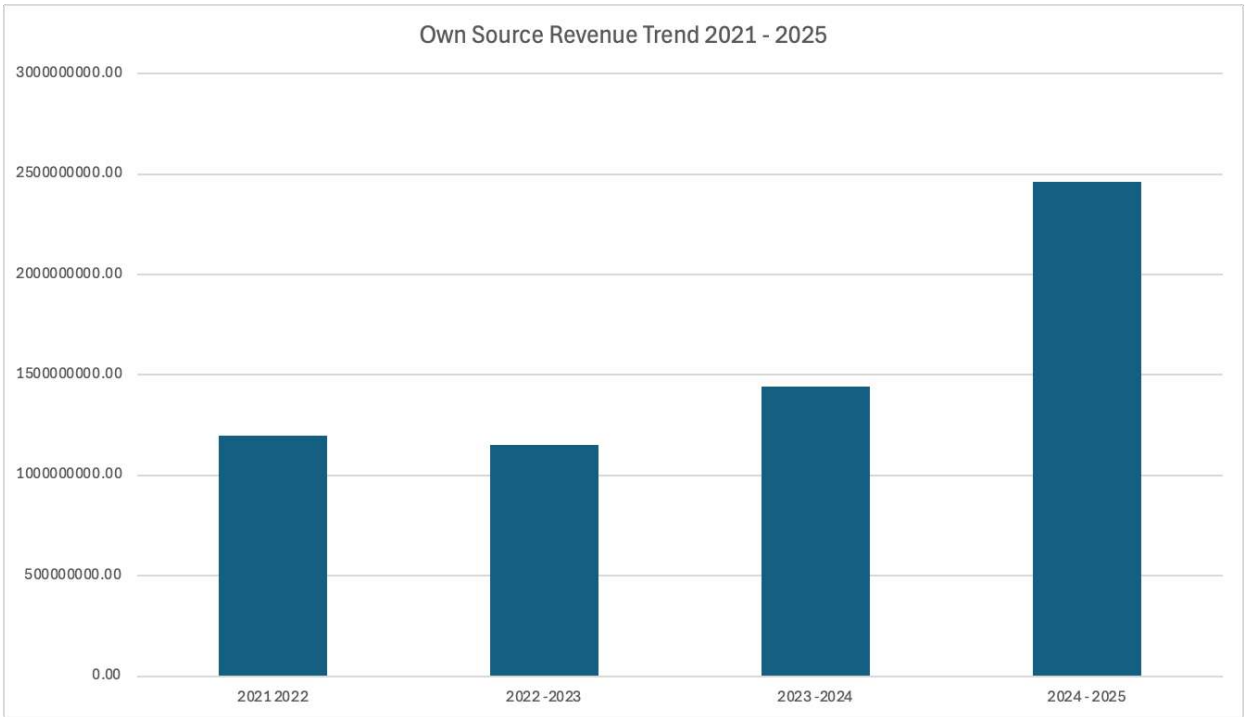
SaaS revenue for the period January 2024 to April 2024 amounting to KES 8,070,079.12 was reversed and has not been rebilled pending further reconciliation and validation.

Revenue Uplift Attributable to the RMS

There is demonstrable revenue uplift associated with the implementation and operationalization of the Revenue Management System (RMS), as evidenced by the County's Own Source Revenue performance trends over the last four financial years.

Based on the official County revenue reports:

Financial Year	**Own Source Revenue (KES)**
FY 2021/2022	1,199,145,031
FY 2022/2023	1,153,464,305
FY 2023/2024	1,443,607,988
FY 2024/2025	2,463,027,946



The data demonstrates a strong upward trajectory in Own Source Revenue performance following the implementation and operational stabilization of the RMS.

Based on official County revenue reports:

- Total Own Source Revenue for ***FY 2022/2023*** was ***KES 1,153,464,305***
- Total Own Source Revenue for ***FY 2024/2025*** was ***KES 2,463,027,946***

This represents an absolute increase of ***KES 1,309,563,641*** over the period.

In relative terms, this corresponds to a **113.53% increase** in Own Source Revenue, indicating that revenue more than doubled between FY 2022/2023 and FY 2024/2025.

The uplift can be attributed to several system-enabled improvements introduced through the RMS ecosystem, including:

- Enhanced revenue visibility and accountability through centralized, near real-time reporting across all revenue streams and collection points, reducing leakages associated with manual and fragmented processes.

- Automation of revenue collection processes including billing, invoicing, receipting, reconciliation, and reporting, reducing manual intervention and improving operational efficiency.
- Expanded digital payment channels through integration with mobile money, banks, USSD, web platforms, and the MyCounty App, increasing payment convenience and compliance.
- Improved enforcement and compliance capabilities through structured workflows, audit trails, transaction tracking, and collector accountability mechanisms.
- Increased capture of previously underperforming revenue streams following digitization and onboarding into the RMS ecosystem.
- Real-time reconciliation and monitoring through automated settlement and integration with payment channels, improving accuracy, and reducing reconciliation disputes.
- Reduction of revenue leakages through digital receipting, audit logging, role-based access controls, and centralized transaction management.

It is important to note that revenue performance may also be influenced by complementary factors such as:

- Policy and enforcement measures by the County Government
- Expansion of the County revenue base
- Improved compliance initiatives
- Economic activity growth
- Administrative reforms

Conclusion

In conclusion, the documentation provided confirms:

- The status of payments made to date under both the Implementation (Materialisation) Fee and the recurring 4% SaaS charges, including supporting invoices, receipts, and reconciliation records;

- The distinction between the one-time implementation fee (covering system deployment and operationalization) and the recurring SaaS fee (covering ongoing hosting, maintenance, support, and system operations), with the

4% charge having been commercially agreed through negotiations as part of a percentage-based revenue-linked service model; and

- A significant increase in Own Source Revenue over the review period, with a 113.53% growth between FY 2022/2023 and FY 2024/2025, indicating improved revenue performance following RMS implementation.

While multiple factors may contribute to revenue performance, the RMS has been a key enabler of improved efficiency, transparency, accountability, and optimization of revenue collection processes within the County.

References:

Attachment 12: FY 21/22 Report

Attachment 13: FY 22/23 Report

Attachment 14: FY 23/24 Report

Attachment 15: FY 24/25 Report

ATTACHMENTS

Attachment 1:

Attachment 1 - Tender Document.pdf

Attachment 2:

Attachment 2 Kisumu County RMS Proposal

Attachment 3:

Attachment 3 - Award Letter.pdf

Attachment 4:

Attachment 4 - Contract.pdf

Attachment 5:

Attachment 5 - Project Milestone Rep

Attachment 6:

Attachment 6 - Project Milestone Rep

Attachment 7:

Attachment 7 - Kisumu County ICRM

Attachment 8:

Attachment 8.pdf

Attachment 9:

Attachment 9.pdf

Attachment 10:

Attachment 10.pdf

Attachment 11:

Attachment 11.pdf

Attachment 12:

Attachment 12.pdf

Attachment 13:

Attachment 13.pdf

Attachment 14:

Attachment 14.pdf

Attachment 15:

Attachment 15.pdf

SERVICE LEVEL AGREEMENT (SLA) FOR PROVISION OF INTEGRATED REVENUE MANAGEMENT SYSTEM

1. SERVICE LEVEL AGREEMENT

1.1 Version

Version	Date	Comment	Author
1.0	2024-02-08	First Version	Michael Bright
	2024-04-10	Second Version	Philip Omondi
	2024-06-15	Third Version	Maurine Awuor Onyango
	2024-06-11	Fourth & Final version	Isaac Kabutha

1.2 Approval

Company	Role	Name	Signed	Date
SAFARICOM PLC	Author	Michael Bright		12/11/2024
SAFARICOM PLC	HOD – Technology Enterprise Services	Barrack Odero		12/11/24
COUNTY GOVERNMENT OF KISUMU	Director ICT	Maurine Awuor Onyango		07/11/24
COUNTY GOVERNMENT OF KISUMU	Deputy Director Technology- Head ICT Revenue Board	Stephen Onyango Agalo		07/11/24

2.0 Agreement Overview

2.1 SLA Introduction

This Service-Level Agreement (SLA) outlines the terms and conditions under which SAFARICOM PLC will provide the COUNTY GOVERNMENT OF KISUMU service, maintenance, and support for the Integrated Revenue Management System (IRMS). The SLA ensures mutual understanding and expectations COUNTY GOVERNMENT OF KISUMU and SAFARICOM PLC.

2.2 Definitions, Conventions, Acronyms, and Abbreviations

SLA	Service Level Agreement
IRMS	Integrated Revenue Management System
Timelines	The characteristic representing performance of action that leaves sufficient time remaining so as to maintain SLA service expectation.
KPI	Key Performance Indicators
MTTR	Mean Time To Restore
VM	Virtual Machine
RAM	Random Access Memory
CPU	Central Processing Unit
Quantifiable	Expressed as an amount, quantity, or numerical value

3.0 Service Agreement

3.1 KPI and Metrics

a) **System Uptime:** The IRMS will strive to achieve a minimum uptime of 99.5% each calendar month, excluding scheduled maintenance.

b) **Response Time:** The average response time for system support requests will be less than 300 milliseconds.

c) **System Enhancement Response Time:** Change request to be raised, approved, and executed in line with the severity level matrix.

d) **Data Accuracy:** The IRMS will maintain a data accuracy rate of 99.5% for all pricing, inventory data, and any other relevant operational data.

e) **Service Availability:** The IRMS service will be available 24 hours a day, 7 days a week, excluding scheduled maintenance windows. Scheduled maintenance will be communicated to THE COUNTY GOVERNMENT OF KISUMU at least 48 hours in advance, and efforts will be made to schedule maintenance during off-peak hours to minimize disruption. System stability before and after the scheduled maintenance sessions will be

guaranteed at 99.5%.

3.2 Service Levels, Rankings & Priorities

Severity Level	Description	Target Response
1. Outage	IRMS cloud server down	Within 30 minutes
2. Critical	High risk of server downtime	Within 1 Hour
3. Urgent	End-user impact initiated	Within 2 Hours
4. Important	Potential for performance impact if not addressed	Within 4 Hours
5. Monitor	Issue addressed but potentially impactful in the future	Within one business day
6.Informational	Inquiry for information	Within 48 hours

3.3 Service Response

Service	Description	SLA Target	Performance Metric	Measurement
Cloud service Instance	Virtual Machine uptime	99.5%	Resource Availability	MTTR, Availability
Cloud Networking	Connectivity in the cloud infrastructure	99.5%	Resource Availability	MTTR, Availability
Cloud Storage, RAM & CPU	Resource specifications	99.5%	Resource Utilization, Response Time	Data Transmission Rate, MTTR
Mpesa	Transaction success	99.5%	Availability, Response time	MTTR
Bulk SMS	SMS response	99.5%	Availability, Response time	MTTR

IRMS Application (Including API integrations to internal and 3rd party systems)	Reliability of the application	99.5%	Availability, Response time	MTTR
Devices, Mobile Data connectivity & Mobile Device Manager (MDM)	Devices fully functional & resources with sufficient data bundles and MDM fully functional.	99.5%	Functional Devices	MTTR

3.4 Service Management

3.4.1 Service Availability

Service coverage by Safaricom PLC, as outlined in this agreement, follows the schedule specified below:

1. On-site support: 7:00 A.M. to 8:00 P.M, Monday to Sunday
2. Phone support 24/7/365 basis as per section 3.2 of this agreement
3. Email Support 24/7/365 basis as per section 3.2 of this agreement

3.4.2 Technical Escalation Matrix

Escalation Level	Function	Contact
1st Level	Onsite Support Engineer	Stephen Mwangemi Mobile:0728 119 401 Email: smdawida@safaricom.co.ke
2nd Level	Business Support	Enterprise Customer Support Mobile: 0722 002 222 Email: business.support@Safaricom.co.ke
3rd Level	ICT Team	Philip Omondi Mobile:0791 602 145 Email: pomondi1@safaricom.co.ke Evans Kiprotich Mobile:0705 445 565 Email: ekiprotich2@safaricom.co.ke
4th Level	Section Manager	Senior Manager – Enterprise Service Support Fredrick Chacha – Mobile:0721 530 953 Email: fchacha@safaricom.co.ke
5th Level	Head of Department	HOD – Technology Enterprise Services Barrack Odero – Mobile:0722 540 923

		Email:BOdero@Safaricom.co.ke

3.4.3 Technical Escalation Timeframe

Target Resolution Timeframe	1st Hierarchical Escalation to Team Manager	2nd Hierarchical Escalation to Section Manager	3rd Hierarchical Escalation to Executive Head of Department	Targeted Escalation Timeframe
30 Mins	Within 30 Mins of elapsed time	1 Hour of elapsed escalation time	2 Hours of elapsed escalation time	Within 3 Hours 30 Minutes of elapsed time
1 Hour	Within 1 Hour of elapsed time	1 Hour of elapsed escalation time	2 Hours of elapsed escalation time	Within 4 Hours of elapsed time
2 Hour's	Within 1 Hour of elapsed time	2 Hours of elapsed escalation time	2 Hours of elapsed escalation time	Within 5 Hours of elapsed time
12 Hour's	Within 1 Hour of elapsed time	4 Hours of elapsed escalation time	4 Hours of elapsed escalation time	Within 9 Hours of elapsed time
24 Hour's	Within 2 Hours of elapsed time	6 Hours of elapsed escalation time	6 Hours of elapsed escalation time	Within 14 Hours of elapsed time
48 Hour's	Within 2 Hours of elapsed time	6 Hours of elapsed escalation time	6 Hour of elapsed escalation time	Within 14 Hours of elapsed time

3.4 Data Security & Confidentiality

SAFARICOM PLC will maintain strict confidentiality of all data and information related to the COUNTY GOVERNMENT OF KISUMU and will implement appropriate security measures to protect against unauthorized access, disclosure, alteration, or deletion of data.

3.5 Compliance

The IRMS will comply with all relevant laws, regulations, and industry standards applicable to revenue management systems, including but not limited to data protection laws & regulations and industry best practices. (Data Protection Act)

3.6 Performance Reviews

SAFARICOM PLC and COUNTY GOVERNMENT OF KISUMU will conduct quarterly performance reviews to evaluate the effectiveness and efficiency of the IRMS service, maintenance and support to help identify areas for enhancement and improvement.

3.7 Compensation

Possible material and/or financial compensation to the COUNTY GOVERNMENT OF KISUMU due to serious system downtime that may lead to quantifiable revenue loss.

3.8 Amendments

This SLA may be amended or updated as deemed fit through mutual agreement between SAFARICOM PLC and COUNTY GOVERNMENT OF KISUMU with written consent from both parties.





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www.gallp.co.ke

Our Ref: GA/DR-N/2/SAFCOM/1/2025 **Your Ref:** CGK/ADM/CLO/SAF/01

3rd March, 2025

The County Attorney,
The County Government of Kisumu,
P.O.Box 1902-40200.
Kisumu

Dear Mr Otieno Aluoka, *" Without Prejudice"*

RE: DEMAND FOR COMPENSATION OF KSHS 273,000,000/= IN ALLEGED REVENUE LOSSES THROUGH THE INTEGRATED REVENUE MANAGEMENT SYSTEM(IRMS)

We write on behalf of our clients, Safaricom PLC, who acknowledge receipt of your demand letter dated 10th February, 2025 and have placed it in our hands with instructions to reply as hereunder.

Our Client acknowledges that through a contract entered on 31st October, 2023, it supplied a fully automated and integrated County Revenue Management System ("the System"), which was rolled out and has been in use to date. Our Clients are aware that apart from a few technical challenges that have been experienced by the County Government of Kisumu ("the County"), which is common with such solution - based systems such as this, most of them have been resolved and none has been reported concerning "glaring inconsistencies in data capture and recording."

Particularly, our Client is not aware of any missing transactions from the system 887,086 allegedly valued at **Kenya Shillings Two Hundred Seventy-Three Million (Kshs. 273,000,000/=)** and would be happy to receive further information regarding the alleged discrepancies to enable it facilitate a thorough investigation.

Our Client greatly values the continued partnership with the County and remain open to engaging in discussions to ensure the smooth operation of the system and to uphold the integrity of your partnership.

We appreciate your cooperation and look forward to resolving this matter amicably.

G&A Advocates LLP (Reg No. LLP/2017/82) formerly practising as Gumbo & Associates under registration number 435585 is now registered as a Limited Liability Partnership.

Yours Sincerely,
FOR: G&A ADVOCATES LLP



Mwangi Kang'u,
jmwangi@gallp.co.ke
Associate

THE COUNTY GOVERNMENT OF KISUMU

OFFICE OF THE GOVERNOR

COUNTY LAW OFFICE

Our Ref: CGK/ADM/CLO/SAF/01 **Your Ref:** T.B.A. **DATE:** 10th February, 2025



TO:

THE CHIEF EXECUTIVE OFFICER
SAFARICOM PLC
P.O. BOX 66827,00800
NAIROBI

Dear Sir,

RE: DEMAND FOR COMPENSATION OF KSHS. 273,000,000/= IN REVENUE LOSSES THROUGH THE INTEGRATED REVENUE MANAGEMENT SYSTEM (IRMS)

We refer to the above matter, and more particularly, the contract entered into between yourselves and the County Government of Kisumu dated 31st October 2023 of **SUPPLY, DELIVERY, DESIGN, DEVELOPMENT, INSTALLATION, DEPLOYMENT, TESTING AND MAINTAINENCE OF A FULLY AUTOMATED AND INTEGRATED COUNTY REVENUE SYSTEM - GK/FIN/OP/2023 -2024/005 (the 'contract').** The full details of the contract are well within your knowledge.

The contract allowed you the **exclusive** right to provide the County Government of Kisumu with the said services as more particularly detailed in the special condition of the same whereof you were to perform the stated agreement with reasonable skill and care. It was also a condition of the agreement that you, SAFARICOM PLC shall bear any/all liabilities associated with the system. In the corollary, by a separate agreement, you initiated a partnership with REV TECH INNOVATIONS LIMITED to ensure an efficient and effective system delivery of the contract.

Our instructions in the matter is that the County Treasury of Kisumu has established that as at 20th September 2024, **Eight hundred and Eighty Seven thousand and Eighty Six (887,086) transactions** with an estimated value of **Kshs. 273 million** were missing from the system's

database. Indeed, there has been a growing body of evidence of collision between staff of the said REVTECH INNOVATIONS LIMITED and other unscrupulous actors to cause theft of revenue using the system, matters that you continue to turn a blind eye to. We are further instructed that these are matters that have been previously brought to your attention for investigations and necessary action without much progress.

As things stand, the County Government has also observed and brought to your attention glaring inconsistencies in data capturing and recording, which compromise the integrity and reliability of the revenue system, further breaching the contractual commitment under the agreement to provide an efficient revenue management system. Indeed, the County Government is losing trust in the system as it has permitted a colossal loss of public funds, which loss you have and continue to treat lightly. We are therefore under instructions to inform you that your attitude is derelictous of your contractual obligations and as such the County Government is hereby giving notice to you herein of your breach unless this is satisfactorily remedied.

PLEASE THEREFORE TAKE NOTICE that the County Law Office is now under peremptory instructions to demand from you, which we hereby do for the full compensation of the **Kshs. 273,000,000** in estimated lost revenue from the system. In satisfying the basis of negotiating liability on the revenue losses herein, the County Government of Kisumu is willing to see your office institute a full and comprehensive audit of the IRMS at your own cost for the contract period so far. Once this is done, it shall avail itself to you the opportunity to sit down to assess the apportionment and settlement of any established liability and trigger other agreed remedial actions on the contract.

NOW TAKE FURTHER NOTICE that unless we hear from you within **21 days** hereof, the County Law Office shall have no option but to institute legal action against you in this matter, with other risks against you as to possible award of damages and costs of litigation.

Yours faithfully

OFFICE OF THE KISUMU COUNTY ATTORNEY
10 FEB 2025

Otieno Aluoka N.O.
The County Attorney, Kisumu County.

CC:

Prof. Peter Anyang' Nyong'o (The Governor)
Hesborn Hongo (The County Secretary0
George Okong'o (CECM, Finance, Economic Planning and ICT Services)

THE COUNTY GOVERNMENT OF KISUMU

Kisumu County Revenue Board

KCRB/CEO/2/15/VOL.1/014 **Date: 6Th September, 2024**

ACCOUNT MANAGER
SAFARICOM PLC
KISUMU.

Attn'

ISAAC,

RE: ISSUES RAISED ON IRMS

Receive greetings from the Board.

There are issues raised by revenue officers which need urgent attention. This is therefore to request the following:

1. All unpaid invoices for **Unstructured Revenue Streams** which has accumulated since December 2023 to September 2024 be removed from the system because this is money that cannot be collected.

2. The IRMS system be set in such a way that all unpaid invoices for **Unstructured Revenue Streams** to be automatically cleared/removed from the system after 24hrs.

3. Cleanup of the system and filter the system to only provide reports of the genuine unpaid invoices for **Structured Revenue Streams.** There are cases of repeated same unpaid invoices more than once, even 20 times. There is need to remove the repeated unpaid invoices so that only one genuine unpaid invoice is reflected in the System for structured Revenue Stream.

4. The IRMS system be set in such a way that it can ONLY generate a unique ID once. Once this ID is generated once it cannot repeat itself. We need the invoices generate only once even if the users and Revenue staff click 50 times. This is to avoid duplications

5. Even in cases of Network issues, and invoice should be generated only once. Let this be set automatically in the system

6. There should be ledgers for structured revenue such as land rates, rent, licenses ete for proper record keeping and references during payments.

7. For ease of each revenue stream's performance tracking, the following revenue streams should be set up independently and distinctly in the++ systems. Tuk Tuk, Motor Bykes (Boda Boda), Reserved Parking Slots, Clamping Fees.

8. Safaricom Team to ensure there is no downtime at System, Bank and Mpesa Levels. Even if there is downtime then the system should remember and avoid repeating invoices.

9. Improve on the system technical issues and support for efficient revenue collection and reporting.

Thank you for your continued cooperation.

Dr. BENTER OMOLO
Ag. Chief Executive Officer

P.O Box 86-40100, Kisumu
Email:kisumuassembly@gmail.com

Email:owenojuok@gmail.com
Web:www.kisumuassembly.go.ke

County Assembly Of Kisumu

OFFICE OF THE CLERK

Ref. CAK/AD-HOC/OSR/008/2026

Wed, 13th May 2026

The Regional Director,
Safaricom PLC,
Kisumu

Dear Sir,

RE: INVITATION TO APPEAR BEFORE THE AD – HOC COMMITTEE ON OWN SOURCE REVIENUE (OSR)

We refer to the above subject matter and your letter dated 7th May, 2026.

Pursuant to Article 185 (3) of the Constitution of Kenya, 2010, read together with Section 8 of the County Governments Act, 2012, the County Assembly of Kisumu, through its Ad Hoc Committee on Own Source Revenue, is currently undertaking an inquiry into the performance, administration, and governance of own source revenue within Kisumu County, in exercise of its constitutional, statutory, and oversight mandate.

Following your request for extension of time, kindly be notified that the Ad-Hoc Committee has been mandated to conduct the inquiry within a strict timeline and its mandate expires on the 26th of May, 2026.

Accordingly, the Committee requests you to appear on **Wednesday 20th of May, 2026** as from **11.00 A.M.** Therefore, provide the committee with the notice of your attendance before the said dates.

Additionally, in accordance with the subject of this inquiry, the Committee requests that you furnish it with the following documentations in detail on or before 18th May, 2026:

i. Phase-by-phase implementation reports of the Integrated Revenue Management System , Operational Acceptance Certificates and Go-Live verification documents for Phases 1, 2 and 3
ii. Integrated Revenue Management System Audit Report up to the period ended 30th June, 2025;
iii. Training records for all six target groups under Clause 9.8 of the Contract Agreement (ICT team – 30; super users – 15; supervisors – 40; collectors – 400; enforcement – 300; decision makers – 50), including attendance lists and evaluation evidence.

iv. Pilot implementation report for Kisumu City and the additional sub-county under Special Condition III as per the Contract Agreement;
v. Cloud hosting, security, audit trail and backup documentation under Clauses 12.0 and Sections R, U of the Technical Requirements of the Contract Agreement;
vi. A Report on the Data ownership, data protection and citizen privacy obligations under the Data Protection Act, 2019, the Computer Misuse and Cybercrimes Act, 2018, and the Access to Information Act, 2016, including hosting location, cross-border data transfers, and lawful basis for processing ratepayer personal data within the Integrated Revenue Management System;
vii. The methodology of computation of the 4% of the total revenue collected under the system;
viii. A Report on the Status of Operational Acceptance Tests and Operational Acceptance under Clauses 4.1 of the Contract, including a stream-by-stream account of which revenue streams are operational, partially operational, or non-functional;
ix. A Report on the Safeguard Measures implemented for the Revenue Management System;
x. A Report and payment evidence of the total amounts paid to date (materialisation fee plus 4% recurrent), revenue uplift attributable to the System, and
xi. Any other information that would be relevant to this inquiry

Yours Sincerely,

COUNTY ASSEMBY OF KISUMU
DEPUTY CLERK
13 MAY 2026
P.O.BOX 86 - 40100, KISUMU
SIGN:.....

ADV. NASHON KUSINA OPANGA
FOR: CLERK OF THE ASSEMBLY

CC:

1. Hon. Elisha J. Oraro - Speaker of the Assembly
2. Hon. Ken Ooko - Leader of the Majority Party
3. Hon. Lumumba Owade - Chairperson; Ad-Hoc Committee Own-Source Revenue
4. Mr. George Okong'o - CEC Member for Finance and Economic Planning

NO.	Bill No	Description	Location	Attendant	Billed Amount	Amount Paid	Balance	Status	Date
1	BLL0210033302632	KAMAAS SHOP (OTHER SBP CHARGES) Small trader, shop or retail services and or premises less than 50 square feet ..., Business ID: 9334	KISUMU CENTRAL RAILWAYS KISUMU	Beatrice Otieno	KES 5,850.00	KES 5,850.00	KES 0.00	PAID	2026-02-10 15:33:0
	BLL0404015024671	KAMAAS SHOP (OTHER SBP CHARGES) Small trader, shop or retail services and or premises less than 50 square feet ..., Business ID: 9334	KISUMU CENTRAL RAILWAYS KISUMU	Beatrice Otieno	KES 11,950.00	KES 11,950.00	KES 0.00	PAID	2025-04-04 13:50:2

CamScanner

THE COUNTY GOVERNMENT OF KISUMU

OFFICE OF THE GOVERNOR

COUNTY LAW OFFICE

Our Ref: CGK/ADM/CLO/SAF/01 **Your Ref:** T.B.A. **DATE:** 10th February, 2025



TO:

THE CHIEF EXECUTIVE OFFICER
SAFARICOM PLC
P.O. BOX 66827,00800
NAIROBI

Dear Sir,

RE: DEMAND FOR COMPENSATION OF KSHS. 273,000,000/= IN REVENUE LOSSES THROUGH THE INTEGRATED REVENUE MANAGEMENT SYSTEM (IRMS)

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As things stand, the County Government has also observed and brought to your attention glaring inconsistencies in data capturing and recording, which compromise the integrity and reliability of the revenue system, further breaching the contractual commitment under the agreement to provide an efficient revenue management system. Indeed, the County Government is losing trust in the system as it has permitted a colossal loss of public funds, which loss you have and continue to treat lightly. We are therefore under instructions to inform you that your attitude is derelictous of your contractual obligations and as such the County Government is hereby giving notice to you herein of your breach unless this is satisfactorily remedied.

PLEASE THEREFORE TAKE NOTICE that the County Law Office is now under peremptory instructions to demand from you, which we hereby do for the full compensation of the **Kshs. 273,000,000** in estimated lost revenue from the system. In satisfying the basis of negotiating liability on the revenue losses herein, the County Government of Kisumu is willing to see your office institute a full and comprehensive audit of the IRMS at your own cost for the contract period so far. Once this is done, it shall avail itself to you the opportunity to sit down to assess the apportionment and settlement of any established liability and trigger other agreed remedial actions on the contract.

NOW TAKE FURTHER NOTICE that unless we hear from you within **21 days** hereof, the County Law Office shall have no option but to institute legal action against you in this matter, with other risks against you as to possible award of damages and costs of litigation.

Yours faithfully

OFFICE OF THE KISUMU COUNTY ATTORNEY
10 FEB 2025

Otieno Aluoka N.O.
The County Attorney, Kisumu County.

CC:

Prof. Peter Anyang' Nyong'o (The Governor)
Hesborn Hongo (The County Secretary0
George Okong'o (CECM, Finance, Economic Planning and ICT Services)

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Our Ref: GA/DR-N/2/SAFCOM/1/2025 **Your Ref:** CGK/ADM/CLO/SAF/01

3rd March, 2025

The County Attorney,
The County Government of Kisumu,
P.O.Box 1902-40200.
Kisumu

Dear Mr Otieno Aluoka, *" Without Prejudice"*

RE: DEMAND FOR COMPENSATION OF KSHS 273,000,000/= IN ALLEGED REVENUE LOSSES THROUGH THE INTEGRATED REVENUE MANAGEMENT SYSTEM(IRMS)

We write on behalf of our clients, Safaricom PLC, who acknowledge receipt of your demand letter dated 10th February, 2025 and have placed it in our hands with instructions to reply as hereunder.

Our Client acknowledges that through a contract entered on 31st October, 2023, it supplied a fully automated and integrated County Revenue Management System ("the System"), which was rolled out and has been in use to date. Our Clients are aware that apart from a few technical challenges that have been experienced by the County Government of Kisumu ("the County"), which is common with such solution - based systems such as this, most of them have been resolved and none has been reported concerning "glaring inconsistencies in data capture and recording."

Particularly, our Client is not aware of any missing transactions from the system 887,086 allegedly valued at **Kenya Shillings Two Hundred Seventy-Three Million (Kshs. 273,000,000/=)** and would be happy to receive further information regarding the alleged discrepancies to enable it facilitate a thorough investigation.

Our Client greatly values the continued partnership with the County and remain open to engaging in discussions to ensure the smooth operation of the system and to uphold the integrity of your partnership.

We appreciate your cooperation and look forward to resolving this matter amicably.

G&A Advocates LLP (Reg No. LLP/2017/82) formerly practising as Gumbo & Associates under registration number 435585 is now registered as a Limited Liability Partnership.

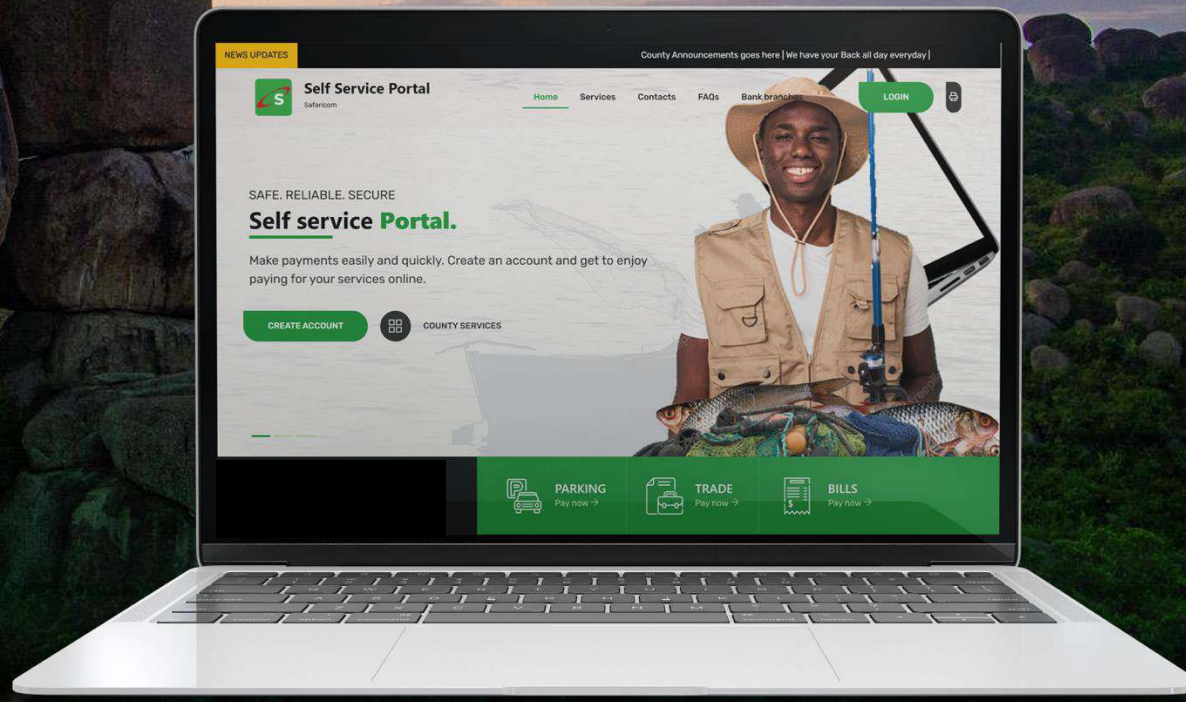
Yours Sincerely,
FOR: G&A ADVOCATES LLP



Mwangi Kang'u,
jmwangi@gallp.co.ke
Associate

TUINUANE
Let's Go Beyond

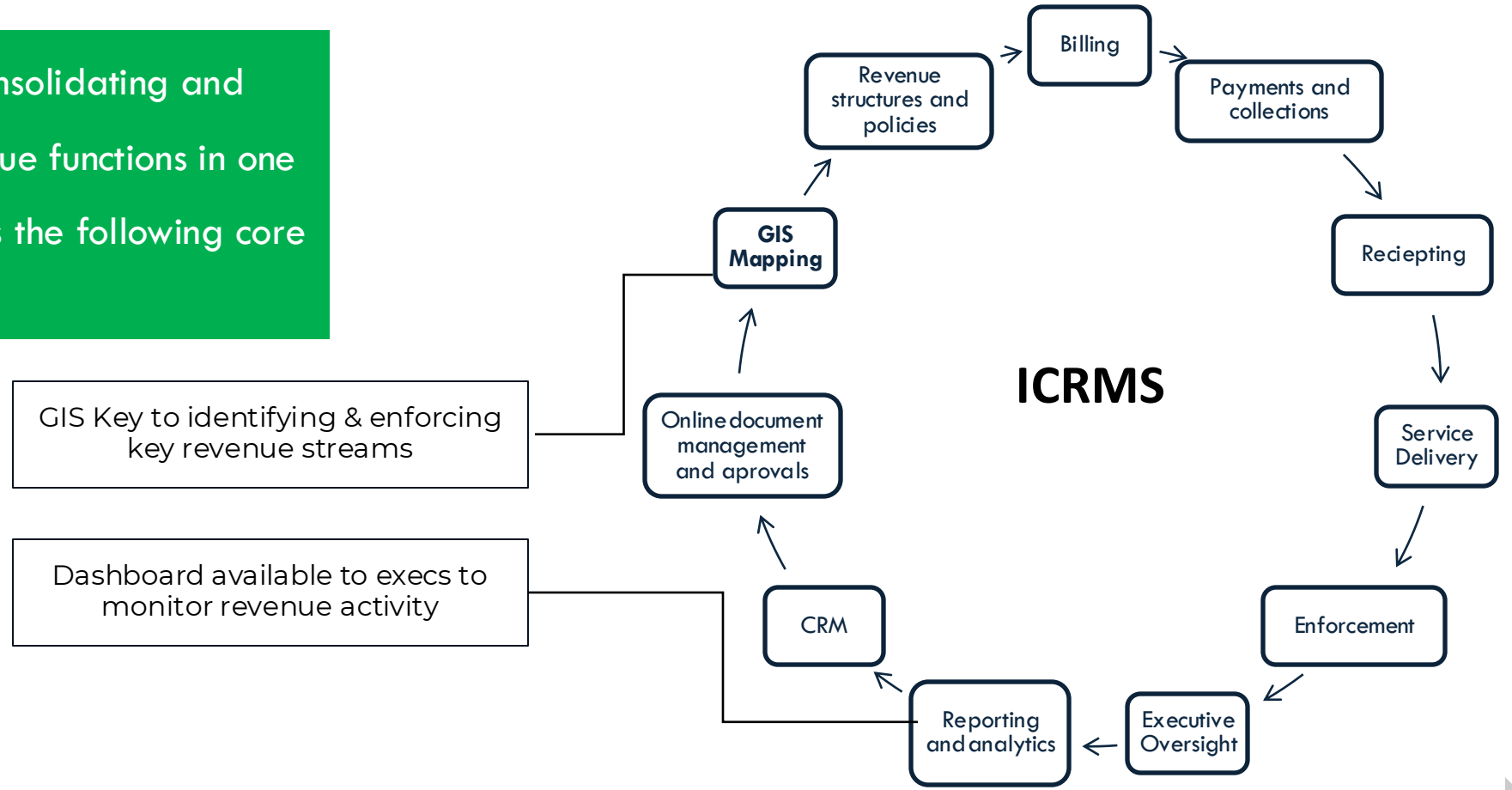
Integrated Revenue Mgt Solution – (IRMS) - ARCHITECTURE



Safaricom

Integrated County Revenue Management System (ICRMS)

An integrated platform consolidating and managing all county revenue functions in one platform. The platform has the following core modules.



Connectivity | **Hosting** | **Devices** | **Cyber Security** | **Payment's integration** | **Channels**

C2 - Safaricom Internal

Integrated Solution components

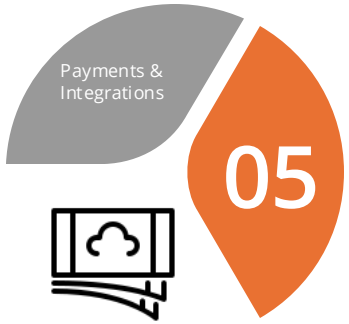
Implementation and Project Management | Annual Maintenance | Change Management



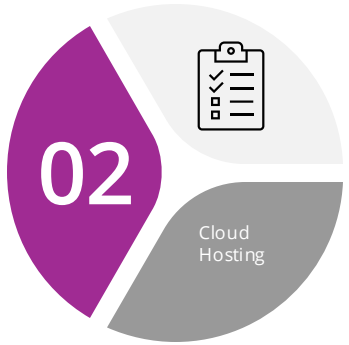


Revenue Mgt Application A web based system to manage and monitor your revenue collection as well as your revenue agents. Provides you will real-time data and reports.

Payments & Integrations M-PESA Paybill | Daraja APIs| Bank Integrations | IFMIS Integration | 3rd Party System Integrations



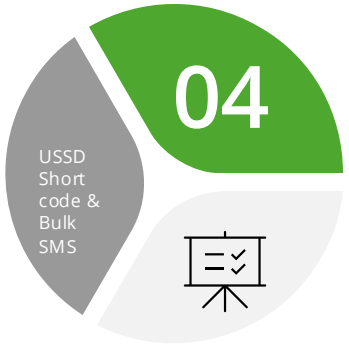
ICRMS

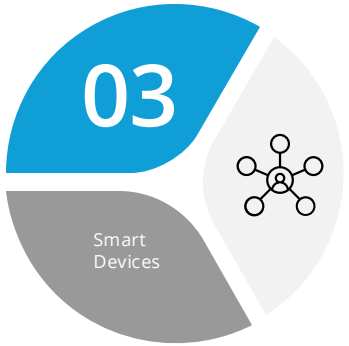


Cloud Hosting & Security a secure and reliable in-country cloud service that hosts and maintains the application, as well as your data and backups. It also include cyber security protection

Channels

USSD Shortcode | SMS Sender-ID| MyCounty APP| WhatsApp | Self Service web Portal | Android Enforcement App

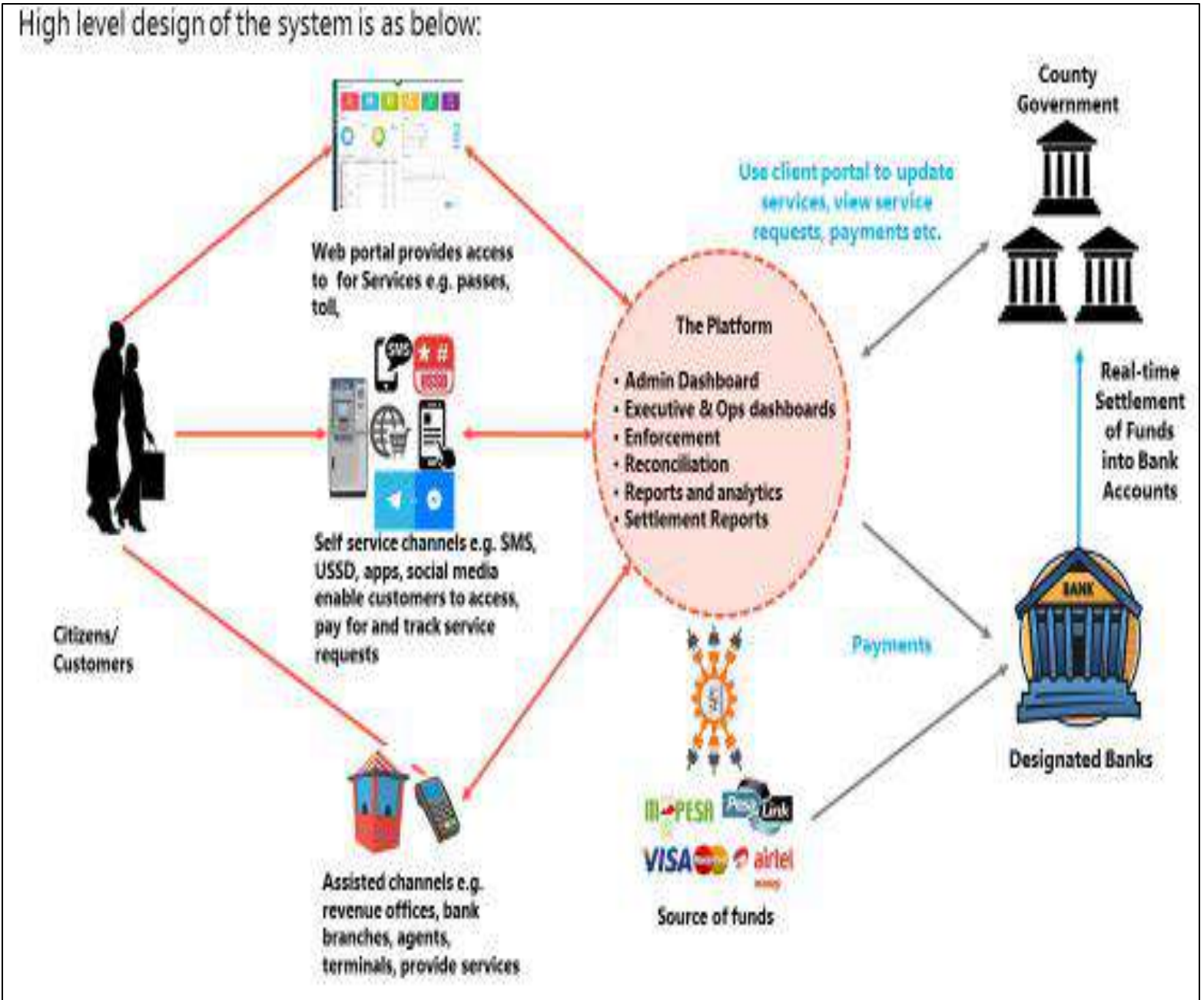


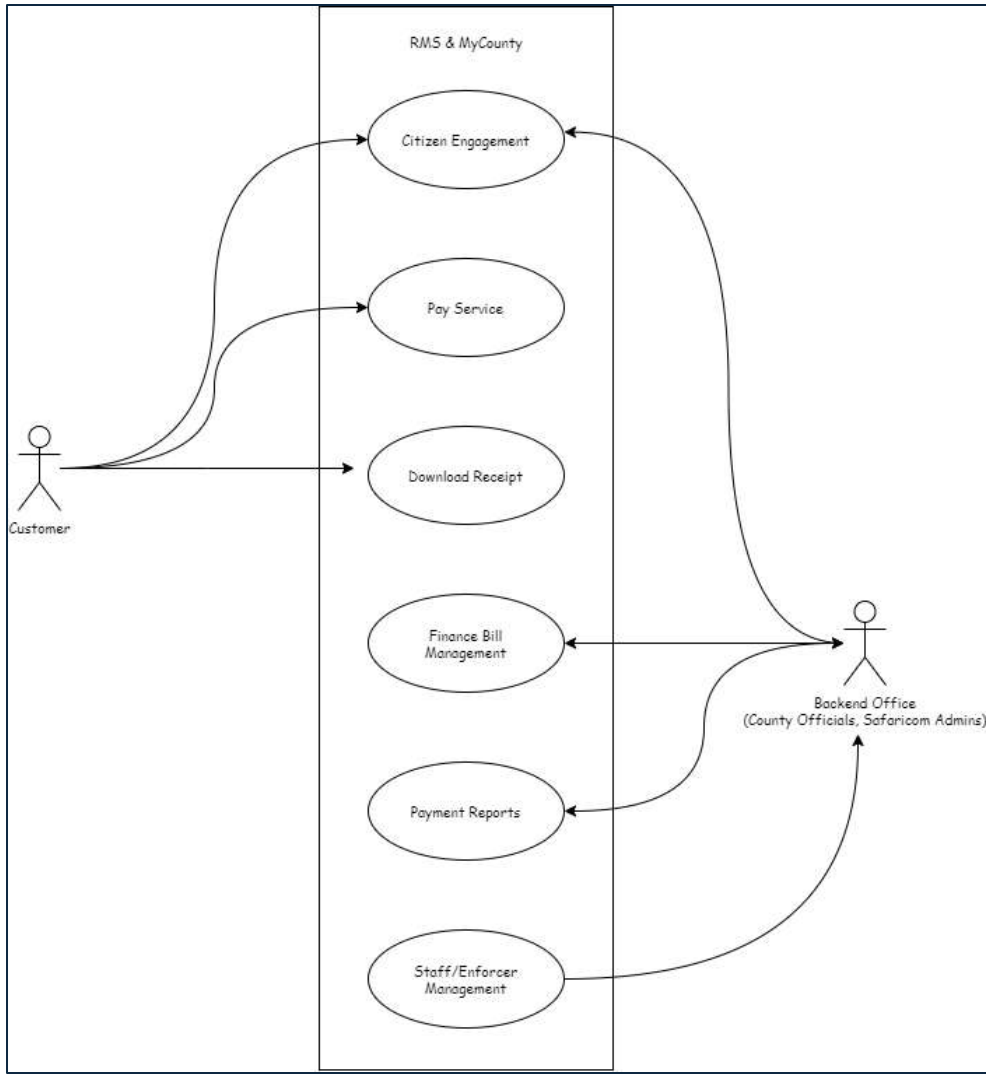


Devices includes smart phones and handheld printers required by revenue collectors to collect revenue. Includes device management , insurance & maintenance. Mobile data connectivity to support the application is also included.

C2 - Safaricom Internal

Platform Architecture

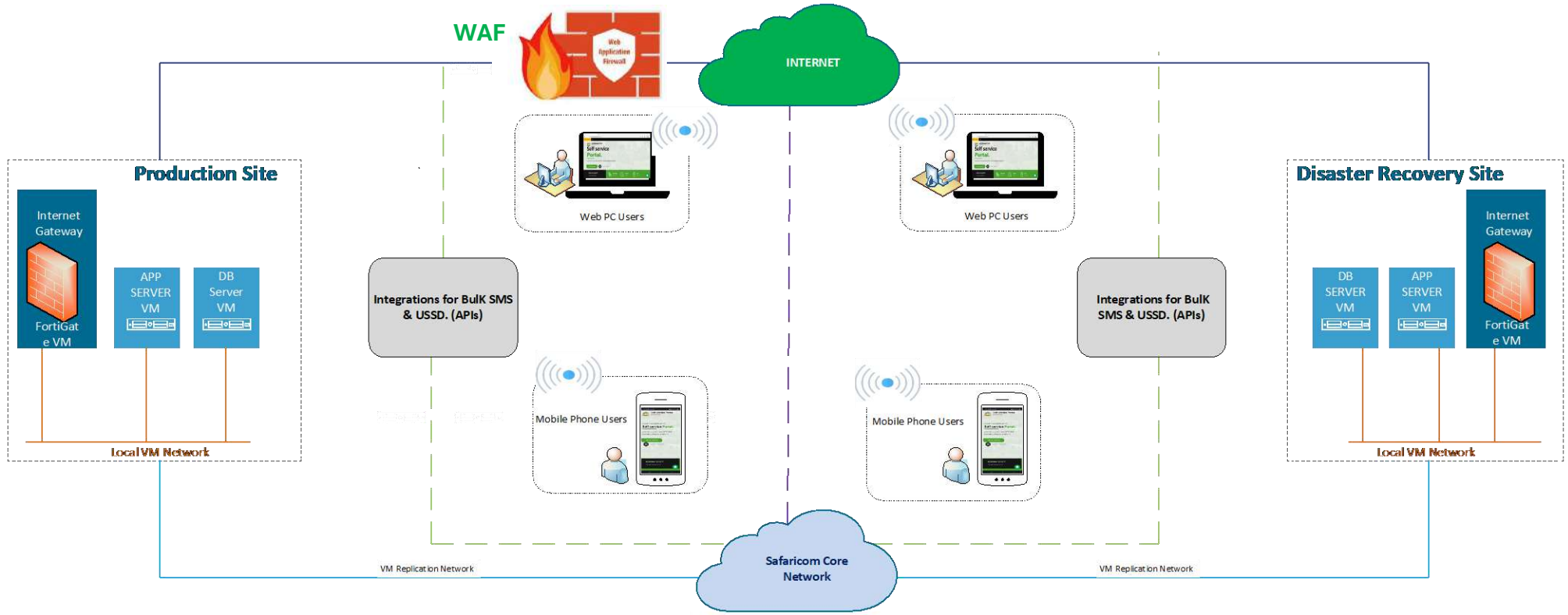




C2 - Safaricom Internal

Hosting Architecture

KISUMU COUNTY RMS CLOUD HOSTING SCHEMATIC DIAGRAM



VM Specifications:
APP Server : 8 vCPU, 16GB RAM, ITB Storage
DB Server : 8 vCPU, 12GB RAM, 5TB Storage
FortiGate : 4 vCPU, 8GB RAM, 100GB Storage

LEGEND:
- VM Network
- Replication Network
- Internet Network
- VAS interations

NOTES:
- Safaricom shall provision an APP server VM, DB server VM and FortiGate Firewall VM with the specified sizing requirements to host the Revenue Management System.
- 40 Mbps Cloud IP Internet shall be provisioned to provide internet access to the RMS Platform
- The system shall be protected by an Edge FortiGate VM Firewall which shall be configured for UTM protection. The FortiGate will also be the internet Gateway
- Anti DDOS protection shall be implemented and configured
- VM Replication shall be configured between production site and Disaster Recovery Site. Replication will happen over safaricom IT private MPLS network
- Integration to USSD and Bulk SMS.
- Mpesa integration is via Daraja internet API



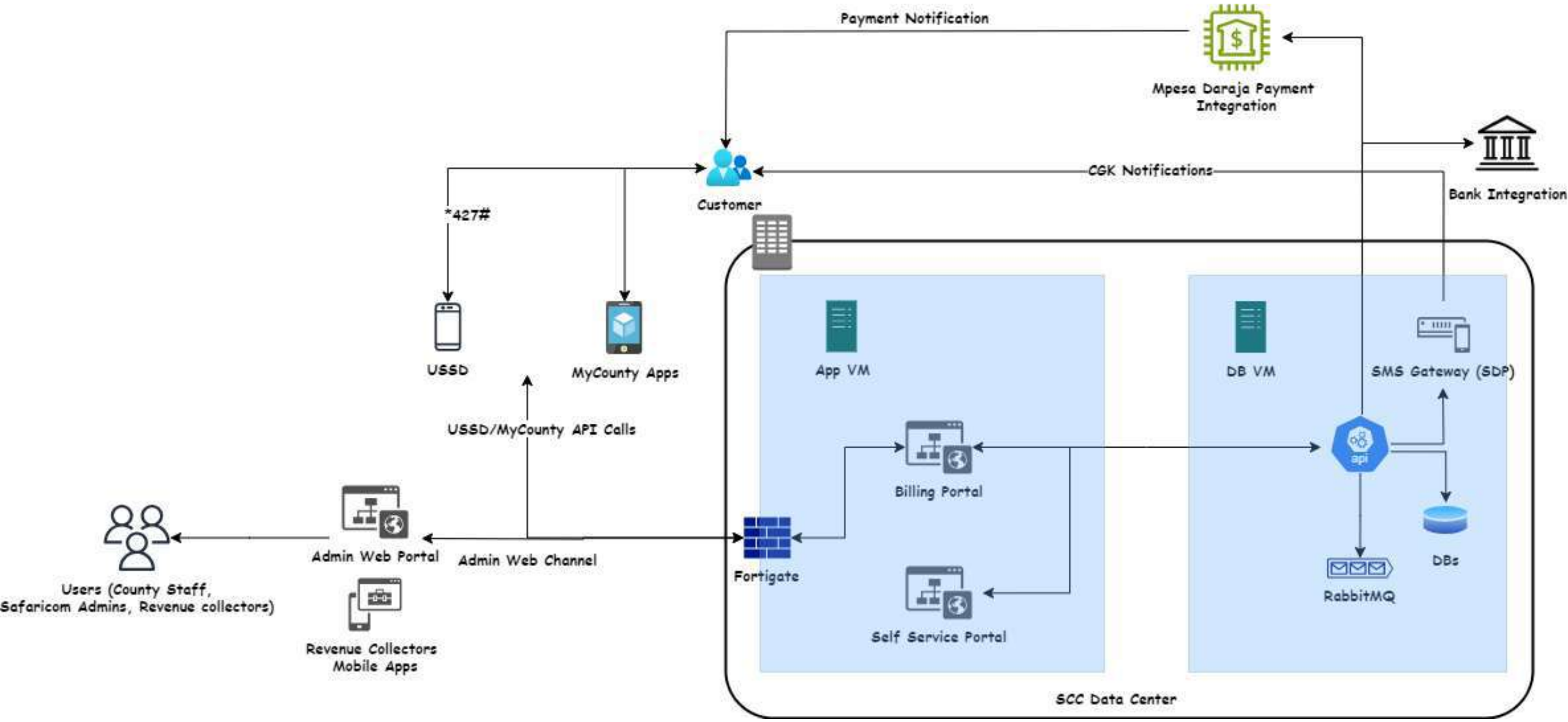
SOC Monitoring



Network Performance Monitoring

NB: WAF & SOC in progress

Solution Architecture



Infrastructure Setup Per site

1. *Software*
   - CentOS
   - MariaDB
   - RabbitMQ
   - Fortigate Firewall
2. *Hardware*
   - APP Server : 8 vCPU, 16GB RAM, ITB Storage
   - DB Server : 8 vCPU, 12GB RAM, 5TB Storage
   - FortiGate : 4 vCPU, 8GB RAM, 100GB Storage
3. *Network*

- 40 Mbps Cloud IP Internet

High Availability and Disaster Recovery

- The current setup is based on an active passive architecture to ensure high availability and DR. This will allow quick failover if the main site is affected to DR.

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THE COUNTY GOVERNMENT OF KISUMU

Kisumu County Revenue Board

KCRB/CEO/2/15/VOL.1/014 **Date: 6Th September, 2024**

ACCOUNT MANAGER
SAFARICOM PLC
KISUMU.

Attn'

ISAAC,

RE: ISSUES RAISED ON IRMS

Receive greetings from the Board.

There are issues raised by revenue officers which need urgent attention. This is therefore to request the following:

1. All unpaid invoices for **Unstructured Revenue Streams** which has accumulated since December 2023 to September 2024 be removed from the system because this is money that cannot be collected.

2. The IRMS system be set in such a way that all unpaid invoices for **Unstructured Revenue Streams** to be automatically cleared/removed from the system after 24hrs.

3. Cleanup of the system and filter the system to only provide reports of the genuine unpaid invoices for **Structured Revenue Streams.** There are cases of repeated same unpaid invoices more than once, even 20 times. There is need to remove the repeated unpaid invoices so that only one genuine unpaid invoice is reflected in the System for structured Revenue Stream.

4. The IRMS system be set in such a way that it can ONLY generate a unique ID once. Once this ID is generated once it cannot repeat itself. We need the invoices generate only once even if the users and Revenue staff click 50 times. This is to avoid duplications

5. Even in cases of Network issues, and invoice should be generated only once. Let this be set automatically in the system

6. There should be ledgers for structured revenue such as land rates, rent, licenses ete for proper record keeping and references during payments.

7. For ease of each revenue stream's performance tracking, the following revenue streams should be set up independently and distinctly in the++ systems. Tuk Tuk, Motor Bykes (Boda Boda), Reserved Parking Slots, Clamping Fees.

8. Safaricom Team to ensure there is no downtime at System, Bank and Mpesa Levels. Even if there is downtime then the system should remember and avoid repeating invoices.

9. Improve on the system technical issues and support for efficient revenue collection and reporting.

Thank you for your continued cooperation.

Dr. BENTER OMOLO
Ag. Chief Executive Officer

SECOND REPORT ON OWN SOURCE REVENUE

CLARIFICATION ON ISSUES RAISED ON 20TH MAY 2026

1. TRUE REPORTS AND FEEDBACK TO MY BEST KNOWLEDGE

This is to inform the Adhoc Committee on OSR and the County Assembly that all the reports and the feedback I have given is true testimony. I have never lied to the committee. If the committee feels I lied then I kindly request those lies be pointed out and I be allowed to verify those allegations

2. ALLEGED REVENUE LEAKAGES AND FRAUD - BETWEEN FEB- JUNE 2024

County Government of Kisumu Contracted Safaricom PLC to provide Integrated Revenue Management System (IRMS). The implementation process commenced on 1st November 2023. The system was rolled out and put to use from 18th Dec 2023, this was mainly the unstructured Revenue like Markets, parking, buspark etc

The parties proceeded with implementation of the structured revenue like SBP Permits, ODA, Landrates etc. in February 2024 the implementation of SBP was completed and tested, and thereafter they were put into use. The clients used the system to pay for SBP, ODA etc

Around end of June and July 2024 there was an allegation of revenue leakages and fraud, it was alleged County lost money between the months of **Feb- June 2024**. Some investigation were carried out by Revenue Board, the Executive and I believe it was done in accordance with the Law. I was also investigated and I gave feedback to the best of my knowledge.

In September 2024 Safaricom PLC was requested to remove duplicated/ repeated (unpaid invoices) for unpaid structured revenue streams. They were also told to remove the unpaid invoices for the unstructured revenue streams after 24 Hrs. This was a genuine request by revenue board because the reconciliation and auditors raised issues inaccurate data of unpaid invoices owed by clients, Safaricom needed to remove the duplicated/ repeated (unpaid invoices) structured revenue streams and the unpaid invoices of unstructured revenue streams so that we have actual and genuine data in the system.

After Safaricom removed and archived the data, we realized they removed even correct and actual data of some unpaid invoices and some paid invoices. Safaricom PLC was then told to re-upload back the data, they then uploaded back the data of genuine unpaid invoices and paid invoices.

Later there was a letter sent to Safaricom PLC by County on the alleged revenue lost amounting to KSh **273 Million**. Safaricom PLC then requested for more information on the allegation of money lost amounting to KSh **273 Million**. To date this issue still pending because county was waiting for feedback from Safaricom PLC on:

1. User Logs
2. Removed/Deleted data
3. Independent investigation report.

3. ACCESS RIGHTS TO THE SYSTEM

During the implementation of the IRMS system from Dec 2023 to Dec 2024 the County staff were only granted access to the Application side/ User interface of the system. Staff had different access rights depending on their roles. Two (2) staff from Kisumu County were granted Super Admin Rights to the Application side/ User interface side of the system. We could only access the Application side/ User interface of the system from **Dec 2023 to Dec 2024.**

Safaricom PLC had not grated the rights to the Backend Environment during this period, they had suggested that they will give the Backend Environment rights after full development and Design of the system.

After the allegations of revenue leakage that's when Safaricom agreed to give access rights to the Backend Environment and database. Safaricom PLC gave a **Read Only Access rights** to the backend Environment and had to train the staff with the rights on how to navigate the Backend Environment. The training was finalized on **18th March 2025**. So the 4 staff with the access rights to the backend environment could only access it and navigate well after **March 2025**. The staff with **Read Only Access rights** to the backend Environment of the system are:

1. CECM Finance and ICT
2. Director ICT
3. Deputy Director ICT -Head of ICT in Revenue Board
4. One (1) ICT Officer from Revenue Board

So the above staff had both access to the Application side/ User interface of the system and **Read Only Access rights** Backend Environment so seen to be access larger part of the system.

NOTE: The **Read Only Access rights** to the backend Environment and training was finalized on **March 2025**

4. IMPLEMENTATION PHASES AND PAYMENTS

The system was implemented in phases and was to be paid in phases after verification of the invoices.

Phase one was completed and paid
Phase two was completed and paid
Phase three was not completed, some modules and integration was not implemented, have not been paid/ shouldn't be paid

There was a 4% on SAAS or commission of revenue through the system. This has been paid only 11 months from July 2024- May 2025.

The SAAS or commission of revenue through the system for the Dec 2023-June 2024 was a contentious issue and was not paid until the allegations on revenue leakages is sorted out by both parties.

From June 2025 to date county has not paid SAAS or commission of revenue through the system because they have not been able to do reconciliation, verification to confirm the figures,

Fw: Resumption of Kisumu RMS Backend Access Training

From Philip Odhiambo Omondi <POmondi1@Safaricom.co.ke>
To Maurine Onyango <maurine.onyango@kisumu.go.ke>
Date 2026-05-20 15:37

Accessing Virtual Machines via CyberArk Identity Management.docx (~30 KB) Kisumu RMS Walkthrough.webm (~9.8 MB)

Hello Maurine,

Find attached the communication on Backend access sessions that we had

Best Regards,
Philip Omondi

C2 - Safaricom Internal

From: Philip Odhiambo Omondi <POmondi1@Safaricom.co.ke>
Sent: Tuesday, March 18, 2025 1:07 PM
To: magak caesar <magakcaesar@gmail.com>
Subject: Fw: Resumption of Kisumu RMS Backend Access Training

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From: Philip Odhiambo Omondi <POmondi1@Safaricom.co.ke>
Sent: Wednesday, February 19, 2025 12:45:53 PM
To: maurine.onyango@kisumu.go.ke <maurine.onyango@kisumu.go.ke>
Cc: Samuel Mwangi Njoroge <SNjoroge1@Safaricom.co.ke>; Stephen Mwangemi Mdawida <SMdawida@Safaricom.co.ke>; steve.agalo@kisumu.go.ke <steve.agalo@kisumu.go.ke>; magakcaesar@gmail.com <magakcaesar@gmail.com>; Evans Kiprotich <EKiprotich2@Safaricom.co.ke>; Dennis Waweru Ngondi <DWngondi@Safaricom.co.ke>
Subject: Re: Resumption of Kisumu RMS Backend Access Training

Good Afternoon Maurine,

Attached you will find a recorded video tutorial demonstrating how to access the platform. I've also included a written guide for your reference.

This guide provides step-by-step instructions for accessing virtual machines using CyberArk Identity Management, including QR code authentication, platform login, navigating to VMs, and accessing database logs. The video tutorial offers a visual walkthrough of the process, particularly for connecting to the Windows jumpserver.

Please review both the video and the written guide at your convenience. If you have any questions or require further assistance after reviewing the materials, please don't hesitate to reach out.

Kind regards,
Philip Odhiambo

From: Philip Odhiambo Omondi <POmondi1@Safaricom.co.ke>
Sent: Monday, February 10, 2025 10:59 AM
To: maurine.onyango@kisumu.go.ke <maurine.onyango@kisumu.go.ke>
Cc: Samuel Mwangi Njoroge <SNjoroge1@Safaricom.co.ke>; Stephen Mwangemi Mdawida <SMdawida@Safaricom.co.ke>; steve.agalo@kisumu.go.ke <steve.agalo@kisumu.go.ke>; wawerudenis11@gmail.com <wawerudenis11@gmail.com>; magakcaesar@gmail.com <magakcaesar@gmail.com>; Isaac Gikonyo Kabutha <IKABUTHA@Safaricom.co.ke>; Evans Kiprotich <EKiprotich2@Safaricom.co.ke>
Subject: Re: Resumption of Kisumu RMS Backend Access Training

Good Morning Maurine,

I'll schedule the session for tomorrow Tuesday, 11th at 10AM

Regards

From: maurine.onyango@kisumu.go.ke <maurine.onyango@kisumu.go.ke>
Sent: Monday, February 10, 2025 10:30 AM
To: Philip Odhiambo Omondi <POmondi1@Safaricom.co.ke>
Cc: Samuel Mwangi Njoroge <SNjoroge1@Safaricom.co.ke>; Stephen Mwangemi Mdawida <SMdawida@Safaricom.co.ke>; steve.agalo@kisumu.go.ke

<steve.agalo@kisumu.go.ke>; wawerudenis11@gmail.com <wawerudenis11@gmail.com>; magakcaesar@gmail.com <magakcaesar@gmail.com>; Isaac Gikonyo Kabutha <IKABUTHA@Safaricom.co.ke>; Evans Kiprotich <EKiprotich2@Safaricom.co.ke>

Subject: Re: Resumption of Kisumu RMS Backend Access Training

Safaricom Security Warning: This email was sent from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Philip,

I am sorry last week we couldn't meet . Kindly organize for the final DB
training this week.

Thanks

On 2025-02-05 12:26, Philip Odhiambo Omondi wrote:
> Dear Team,
>
> This email serves as a formal notification regarding the resumption of
> backend access management for Kisumu RMS Servers (hosting the Database
> and Production Servers) utilizing the CyberArk Privileged Identity
> Management Platform.
>
> Regards
>
> _____
>
> Microsoft Teams Need help? [1]
> Join the meeting now [2]
> Meeting ID: 317 902 679 419
> Passcode: zF2WA2zC
>
> ----------
>
> Dial in by phone
> +44 20 7660 8302,,801860996# [3] United Kingdom, City of London
> Find a local number [4]
> Phone conference ID: 801 860 996#
> Join on a video conferencing device
> Tenant key: 984283207@t.plcm.vc
> Video ID: 122 627 419 0
> More info [5]
> For organizers: Meeting options [6] | Reset dial-in PIN [7]
>
> _____
>
> Links:
> ------
> [1] https://aka.ms/JoinTeamsMeeting?omkt=en-US
> [2]
> https://teams.microsoft.com/l/meetup-join/19%3ameeting_YWQwYzZhYzItMDQ5Ni00ZjJhLWJiYTQtNTczMzA5MDg1ZTI0%40thread.v2/0?context=%7b%22Tid%22%3a%2219a4db07-607d-475f-a518-0e3b699ac7d0%22%2c%22Oid%22%3a%22f5d101e1-8268-4079-b800-2dad24cd7430%22%7d
> [3] tel:+442076608302,,801860996#
> [4]
> https://dialin.teams.microsoft.com/550a49af-f7a7-4ed9-a233-eb680f1eb6d3?id=801860996
> [5] https://dialin.plcm.vc/teams/?key=984283207&conf=1226274190
> [6]
> https://teams.microsoft.com/meetingOptions/?organizerId=f5d101e1-8268-4079-b800-2dad24cd7430&tenantId=19a4db07-607d-475f-a518-0e3b699ac7d0&threadId=19_meeting_YWQwYzZhYzItMDQ5Ni00ZjJhLWJiYTQtNTczMzA5MDg1ZTI0@thread.v2&messageId=0&language=en-US
> [7] https://dialin.teams.microsoft.com/usp/pstnconferencing

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Maurine Awuor Onyango
Director ICT
Department of Finance, Economic Planning and ICT (E-Government)Services
County Government of Kisumu
Prosperity Building, 8th Floor

P.O. Box 2738-40100 Kisumu
maurine.onyango@kisumu.go.ke
0725246781

To

Chair of Adhoc Committee on OSR

County Assembly of Kisumu

CLARIFICATION REPORT ON ISSUES RAISED ON 20TH MAY 2026

1. TRUE REPORTS AND FEEDBACK TO MY BEST KNOWLEDGE

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During this period there was a fully functional Revenue Board with all required Board Members, CEO/Director Revenue Board and Deputy Director ICT in-charge of systems (IRMS) at Revenue Board, Reconciliation and Reporting Officers, other Secretariat staff and Revenue Officers.

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21st May 2026 Maurine Awuor Onyango

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After Safaricom removed and archived the data, we realized they removed even correct and actual data of some unpaid invoices and some paid invoices. Safaricom PLC was then told to re-upload back the data, they then uploaded back the data of genuine and real unpaid invoices and paid invoices.

Later there was a letter sent to Safaricom PLC by County on the alleged revenue lost amounting to KSh **273 Million**. Safaricom PLC then requested for more information on the allegation of money lost amounting to KSh **273 Million**. To date this issue still pending because county was waiting for feedback from Safaricom PLC on:

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NOTE: The **Read Only Access rights** to the backend Environment and training was finalized on **March 2025**



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The SAAS or commission on revenue through the system for the Dec 2023-June 2024 was in dispute hence not yet paid until the allegations on revenue leakages is sorted out by both parties.

From June 2025 to date county has not paid SAAS or commission of revenue through the system because they have not been able to do reconciliation, verification to confirm the figures.

Contract between County Government of Kisumu and Safaricom PLC will expire in 3oth November 2026.



21st May 2026 Maurine Awuor Onyango

MINUTES OF MEETING (MoM)
Meeting Title: Kisumu County RMS Review and Upgrade Planning
Date: 14 January 2026
Mode: Google Meet
Time: 1100Hrs – 1300 Hrs
Convened by: Safaricom PLC
Chair: Frankline Okata, Acting Chief Enterprise Business Officer
Minutes Prepared by: Carlos Maundu

---

1. Attendance

Safaricom

- Frankline Okata
- Barrack Odero
- Josephine Mwikali
- Allan Kipsang
- Benard Mokaya
- Paul Okayo
- Kenneth Muriuki
- Irene Muhindi
- Gideon Sang
- Moureen Ogutu
- Carlos Maundu

Kisumu County Government

- Philip Adundo
- Raphael Otieno
- Stephen Agalo
- Moureen Owuor
- Atieno Aluoka
- Martin Opiyo
- George Okongo

---

2. Purpose of the Meeting

- Follow up on prior engagement regarding the RMS transition and termination of the existing partner arrangement.
- Review current operational issues in the existing RMS.
- Present the proposed upgrade to **MyCounty Pay**, Safaricom's internal County Revenue Management System.
- Discuss outstanding invoices, reconciliation status, risks, and next steps.

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3. Opening Remarks

Frankline Okata opened the meeting, confirming that this session was a continuation of discussions held late in 2025. He outlined the objectives of the engagement and set context around service continuity, system stability, and the planned RMS upgrade.

---

4. Key Discussion Areas

4.1 RMS Partner Termination Status

- Safaricom confirmed that the termination process is ongoing and will formally conclude on **16 April 2026**, at the end of the contractual termination notice period.

- Kisumu County was assured that services will continue uninterrupted throughout until the change over.

4.2 Operational Support During Peak Revenue Period

- Kisumu County requested on-ground technical support during the peak licence renewal period (January to March).
- Safaricom confirmed that a dedicated resource has been hired and arrangements are underway for deployment starting the **week of 19 January 2026**.

4.3 Outstanding System Issues

- Kisumu County had previously raised **10 system issues**.
- Status update:
  - **7 issues resolved** and available in the test environment for county validation.
  - **3 issues under active resolution**.
- Safaricom committed that:
  - All 10 issues will be fully resolved in the current system version.
  - These issues will not exist in the new MyCounty Pay platform.

4.4 Outstanding Invoices and Payments

Safaricom presented outstanding invoices totaling **KES 31,982,645.90**, summarised as follows:

Description	Amount (KES)
4% Revenue Share (Jul 2024 – May 2025)	26,943,668.00
Fixed Connectivity (Governor's Office & City Hall)	1,328,982.22
Mobile Data Lines (Revenue Collection SIMs)	3,402,185.45
Fixed Connectivity (Revenue Board)	266,188.40
Toll-Free Service	41,621.83
Total	**31,982,645.90**

Key points:

- These services are critical to system operations.
- Delayed payment risks service continuity.
- Safaricom highlighted dependency on these payments to sustain service delivery.

Kisumu County proposed:

- Clearing payments in **two tranches of 50%**, with full settlement within **30 days** of the meeting.

4.5 Reconciliation Status

- A joint reconciliation between Safaricom and Kisumu County was completed and signed for the period **July 2024 – May 2025**, amounting to **KES 26,943,668.12**, which was approved for invoicing.
- Reconciliation for **January – June 2024** was excluded pending resolution of audit issues.
- Safaricom proposed:
  - A joint reconciliation for **June – December 2025**.
  - Resumption of **monthly reconciliations** going forward, which has not been happening.

C2 - Safaricom Internal

4.6 Proposed RMS Upgrade to MyCounty Pay

Safaricom presented the proposed upgrade from the existing RMS to **MyCounty Pay**. Key areas covered:

- Purpose and context of the upgrade.
- What will change and what will remain the same.
- Controlled, phased upgrade starting **March 2026**, running parallel systems.
- Data readiness, configuration, dry runs, validation, and testing.
- User training and change readiness.
- Governance, decision points, and expected outcomes.

Safaricom emphasised that:

- Upgrade will be executed in phases to minimise risk.
- No cut-over will occur without county approval following successful testing.

4.7 Data Access and Migration Preparation

- Safaricom requested Kisumu County to formally grant permission in writing to access a copy of existing system data.
- This is required for data mapping, validation, and testing ahead of the upgrade.
- Kisumu County acknowledged and noted the request positively.

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5. County Concerns and Clarifications

5.1 Legal and Data Assurance (Raised by County Attorney)

Requests:

1. Assurance that Safaricom's internal obligations do not affect system integrity or service delivery.
2. Guarantees on data integrity, privacy, and full migration with no data loss.
3. Indemnity for Kisumu County from any disputes arising during separation.

Safaricom response:

- Kisumu County's contract is with Safaricom.
- System access, data security, and monitoring are fully controlled internally.
- Kisumu County is not involved in any separation process.
- Data integrity and privacy are assured.

5.2 Upgrade and Cut-Over Clarifications

Philip Adundo requested clarity on system behaviour post-upgrade.

Safaricom confirmed:

- The existing system will run during parallel testing.
- Once the county confirms satisfaction with the new platform, Safaricom will decommission the old version.
- All data will be handed over to the county.

5.3 Detailed Questions Raised by Moureen Owuor

Key questions covered:

- Partner exit timelines and system continuity.
- Testing approach during parallel phase.
- Risk of legal action affecting rollout.
- County readiness requirements.
- On-ground technical support.
- Resolution of recurring system issues.
- Upgrade timeline versus contract end date (31 Oct).

C2 - Safaricom Internal

- Transaction reconciliation automation.

Safaricom responses:

- Upgrade will follow phased execution with joint testing and dry runs.
- Legal matters will be handled internally without service disruption.
- Weekly implementation meetings proposed to track issue resolution.
- On-ground support will be provided.
- Upgrade planned between **March and July 2026**, avoiding disruption during peak revenue period.
- Automated reconciliation will be strengthened in the new platform.

5.4 Audit Logs and Deleted Transactions

George Okongo requested:

- Audit logs and records for deleted transactions between **January – June 2024**.
- He also reiterated that there should be no service interuption during the upgrade and also during the busy renewal period.

Safaricom committed to:

- Furnish the requested data by **23 January 2026**.
- Ensure no service interruptions during the transition and busy Jan to March period.

5.5 Revenue Collector Performance

- Decline in revenue collection was discussed.
- Safaricom data indicated reduced collections per collector.
- Kisumu County advised internal performance reviews against targets and appropriate corrective action.

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6. Agreements and Actions

Action	Owner	Timeline
Share resolved issues in test environment	Safaricom	Immediate
Complete resolution of remaining 3 issues	Safaricom	Ongoing
Deploy on-ground support resource	Safaricom	Week of 19 Jan 2026
Provide audit logs and deleted transaction data	Safaricom	By 23 Jan 2026
Settle outstanding invoices in two tranches	Kisumu County	Within 30 days
Resume monthly reconciliations	Both Parties	Immediate
Provide written approval for data access	Kisumu County	Pending

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7. Closing

Both parties reaffirmed commitment to service continuity, system stability, and collaborative execution of the RMS upgrade. Kisumu County acknowledged the proposed plan and expressed readiness to proceed with the next steps.

C2 - Safaricom Internal

Your Ref: CAK/AD-HOC/OSR/008/2026

18th May 2026

The Clerk,
County Assembly of Kisumu,
P.O. Box 86 – 40100,
Kisumu

Attention: Ad Hoc Committee on Own Source Revenue (OSR)

Dear Sirs,

RE: Response to Request for Information on Integrated Revenue Management System

---

We acknowledge receipt of your letter dated **13th May 2026** regarding the ongoing inquiry into the performance, administration, and governance of Own Source Revenue (OSR) within Kisumu County.

Safaricom PLC confirms its **availability to appear before the Committee on Wednesday, 20th May 2026 at 11:00 A.M.**, as requested.

Pursuant to your request, we hereby submit the required documentation and responses relating to the **Integrated County Revenue Management System (ICRMS)** implemented under the Contract Agreement dated **31st October 2023** between Safaricom PLC and the County Government of Kisumu.

Kindly find our structured response below.

Yours faithfully,
FOR: SAFARICOM PLC

Okata

Okata (May 18, 2026 23:00:17 GMT+3)

FRANKLINE OKATA
HEAD OF ENTERPRISE SALES

DISCLAIMER

This report has been prepared strictly and solely for the purpose of responding to and addressing the matters raised in the County Assembly of Kisumu Ad Hoc Committee on Own Source Revenue's letter dated 7th May 2026, and for presentation before the Committee pursuant to its inquiry.

The contents herein are limited to the specific issues under consideration by the Committee within the context of its constitutional and statutory mandate and should not be relied upon, reproduced, disclosed, or used for any other purpose without prior written consent.

This report does not constitute an admission of liability, wrongdoing, or non-compliance by any party and is provided without prejudice to any legal rights, remedies, or positions that may be available.

1. DEFINITIONS

Definitions and Acronyms

ICRMS – Integrated County Revenue Management System

CGK – County Government of Kisumu

OSR – Own Source Revenue

SOC – Security Operations Centre

SLA – Service Level Agreement

SaaS – Software as a Service

DPIA – Data Protection Impact Assessment

DR – Disaster Recovery

VDC – Virtual Data Center

MDM – Mobile Device Management

PIM – Privileged Identity Management

SIEM – Security Information and Event Management

WAF – Web Application Firewall

TOT – Training of Trainers

FY – Financial Year

ERP – Enterprise Resource Planning

CBS – Convergent Billing System

2. EXECUTIVE SUMMARY

Safaricom PLC was awarded a contract on 31st October 2023 for the implementation of a fully automated and Integrated County Revenue Management System (ICRMS) for the County Government of Kisumu in accordance with the contract scope, which includes design, development, deployment, testing, training, commissioning, and maintenance of the system.

The County Government of Kisumu integrated own source revenue (OSR) management solution was implemented in a phased approach for the revenue streams as per the provisions of the contract, with centralized monitoring through a service operations center and a managed cyber security SOC.

Key achievements include:

- Deployment of a multi-channel (USSD: ***427#,** Mobile App – MyCounty App (Android & iOS, Collection/Enforcement Android App, WhatsApp Payment Channels 0742 427 427, Web applications – reports, dashboards & administration) Integrated County revenue management system
- Digitization of key revenue streams
- Implementation of audit logging and reporting mechanisms
- Enablement of real-time monitoring and reconciliation
- Enablement of County Government of Kisumu Revenue and ICT officials through training.

References:

Attachment 1: Tender No: CGK/FIN/OP/2023-2024/005, Negotiation No. 1352785

Attachment 2: Tender Document: Kisumu County ICRMS Proposal

Attachment 3: Award Letter issued 5th October 2023

Attachment 4: The contract awarded for a period of 3 years from the date of 31st October 2023

3. PHASE BY PHASE IMPLEMENTATION REPORTS OF THE INTEGRATED REVENUE MANAGEMENT SYSTEM, OPERATIONAL ACCEPTANCE CERTIFICATES & GO LIVE VERIFICATION DOCUMENTS FOR PHASE 1, 2 AND 3

3.1 Introduction

We are pleased to report on the successful delivery of the project, with **100% completion achieved across Phase 1 and Phase 2**, meeting all planned objectives and deliverables.

Phase 3 is now at 96% completion, with finalization pending a single external dependency — the provision of GIS cadastral data by the County. This represents a minimal outstanding scope, positioning the project firmly in its final closure stage

3.2 Pilot Implementation Report

Project Title:

Design, Development, Supply, Delivery, Installation, Deployment, Testing, Training, Commissioning and Maintenance of a Fully Automated and Integrated County Revenue Management System

Project Objective:

To implement an Integrated County Revenue Management system that automates the collection, processing, and reporting of revenue from various sources within the county. The system will enhance the efficiency, transparency and accountability of revenue management and increase own source revenue collection for the County Government of Kisumu (CGK)

The Pilot Phase

In compliance with the Special Conditions of the Contract, Clause III, pilot implementation was conducted in the following sub-counties in the County Government of Kisumu:

1. **Kisumu Central**
2. **Nyakach**

The pilot of Revenue collection system for a period of one month was carried out at this phase during which the system was deployed for Nyakach Sub County and Kisumu Central Sub County locations and monitored for any issues or feedback.

The pilot was done to test the system in a real-world setting and to collect data and insights on the system performance, user experience, and customer satisfaction.

The pilot locations were recommended by the County Government of Kisumu. The pilot outcome and feedback were documented and shared. Findings, and learnings captured in **Appendix C – Pilot Learnings of the ICRMS Phase I Milestone Report.**

References:

Attachment 5: Kisumu County – ICRMS Phase I Milestone Report

3.3 Phase by Phase Implementation Report

The project implementation was executed in accordance with **Table 8.0 of the Contract** and a detailed report for proof of implementation, training, (attendance list of trainees), and go live documentation per phase has been attached.

i. Phase 1:

Implementation of Unstructured revenue streams as shown in the table below:

	Unstructured Revenue Streams (Phase 1)	**Status**
1	Parking (Daily parking, Seasonal Parking, Monthly stickers)	Operational
2	Cess	Operational
3	Markets	Operational
4	Bus Parks	Operational
5	Slaughter house	Operational
6	Stock Ring/Cattle Ring	Operational
	Other Requirements	
A	Android Smart Mobile Phones & SIMs managed through MDM	Operational
B	Bluetooth Printers for printing receipts – integrated to mobile phones	Operational
C	Enforcement App (Android application installed in the smart phones)	Operational

Key milestone achievements:

- Design, Deployment, testing and commissioning of the Kisumu County Integrated Revenue Management System which includes Mobile devices (managed through a mobile device management cyber security system, android mobile app for county revenue collection & enforcement officers, USSD capability *427#, Web applications – County Biller with dashboards, reporting & administration capabilities)
- Digitization of documented unstructured revenue workflows and integrating into the platform.
- Integration of MPESA Paybill 425542 in order to fully automate payments & authentication.
- Integration of KCB bank for real time settlement of all payments made through the bank.
- Online digital invoices, receipts and stickers
- ICRMS Platform capabilities activated - The system allows the county staff to capture, process, and report the revenue transactions from these unstructured revenue sources using mobile devices (android enforcement app, USSD), web portals dashboards (County Biller). The system also generates invoices, receipts, and notifications via SMS for the users of county services (the “customer”) and the county officials.
- Testing and Operational acceptance – System and user acceptance tests. Refer to Appendix D – Test report in the Kisumu County – ICRMS phase 1 Milestone report.
- Conducted workshops on policies and processes with the Revenue Board members and Revenue Supervisors/ administrators to streamline the people phase
- User training for all the sub counties, ICT team, and TOT (project champions) team, covering the system features, operations, and troubleshooting. Refer to Appendix B of the Kisumu County – ICRMS phase 1 Milestone report.

The milestone was completed within the agreed timeline, budget, and quality standards.

The system was successfully implemented, tested, deployed, and piloted for the unstructured revenue streams.

The system met the expectations and requirements of the county and the users. The system was declared ready to go live for the unstructured revenue streams as documented.

ii. **Phase 2:**

Implementation of Unstructured revenue streams as shown in the table below:

	Structured Revenue Streams (Phase 2)	**Status**
1	Single/Unified Business Permits – Trade licenses	Operational
2	Public Health	Operational
3	Fines & Penalties	Operational
4	Rent and Stalls	Operational
5	Liquor Licence	Operational
6	Property Rates/Land Rates	Operational
	Other Requirements	
A	Enforcement Payment channels (WhatsApp, Web self-service portal)	Operational
B	Citizen App (MyCounty App on Android & iOS)	Operational

Key milestone achievements:

- Integrated County Revenue Management platform overall stability and service reliability achieved as per the SLA.
- The structured revenue streams above tested and deployed on the platform successfully.
- User Testing & Operational acceptance completed as documented in the report.
- The milestone was completed within the agreed timeline, budget, and quality standards.
- The system was successfully implemented, tested, deployed, and enabled for the structured revenue streams. The system met the expectations and requirements of the County Government of Kisumu officials and the users of County services (the 'customer').

References:

Attachment 6: Kisumu County – ICRMS Phase 2 Milestone Report

iii. Phase 3:

Implementation of the remaining Structured Revenue Streams as shown in the table below:

	Structured Revenue Streams (Phase 3)	**Status**
1	Outdoor Advertising – ODA	Operational
2	Hire of County Assets	Operational
3	Physical Planning (E-Construction)	Operational
4	GIS & Mapping Integration (3rd party systems)	30% done
5	Hospital Payment Integration (3rd party systems)	90% done

Key milestone achievements:

- Integrated County Revenue Management platform overall stability and service reliability achieved as per the SLA.
- The structured revenue streams above tested and deployed on the platform successfully.
- User Testing & Operational acceptance completed as documented in the report.
- The system was successfully implemented, tested, deployed, and enabled for the structured revenue streams. The system met the expectations and requirements of the County Government of Kisumu officials and the users of County services (the 'customer').
- Overall progress of Phase 3 implementation is 84% pending cadastral data from the County Government of Kisumu for the mapping and integration of the Geographic Information System (GIS) module.

References:

Attachment 7: Kisumu County – ICRMS Phase 3 Milestone Status Report

3.4 **Operational Acceptance Status**

The ICRMS for the County Government of Kisumu was designed, deployed, tested and accepted by the respective county officials in ICT & Revenue departments as guided through the Contract Clause 4.1 definitions of: (gg) – **'Operational Acceptance Test'** and (hh) – **'Operational Acceptance'**

The testing operational acceptance reports are annexed to this document with the summary as below:

	County Government of Kisumu Revenue Streams	**Status**
1	Parking (Daily parking, Seasonal Parking, Monthly stickers)	Accepted
2	Cess	Accepted
3	Markets	Accepted
4	Bus Parks	Accepted
5	Slaughter house	Accepted
6	Stock Ring/Cattle Ring	Accepted
7	Single/Unified Business Permits – Trade licences	Accepted
8	Public Health	Accepted
9	Fines & Penalties	Accepted
10	Rent and Stalls	Accepted
11	Liquor Licence	Accepted
12	Property Rates/Land Rates	Accepted
13	Outdoor Advertising – ODA	Accepted
14	Hire of County Assets	Accepted
15	Physical Planning (E-Construction)	Accepted
16	GIS & Mapping Integration (3rd party systems)	30% complete
17	Hospital Payment Integration (3rd party systems)	90% complete
	Integrated County Revenue Management Platform	
A	Platform hosted with 24/7/365 99% high availability in Safaricom data centers – Nairobi & Kisumu, Kenya	Accepted
B	Cyber security – Compliance to agreed Technology controls as per the contract.	Accepted

C	Mobile devices managed through an MDM (Cyber security defence solution)	Accepted
D	Systems Integration to Payment gateways to automate Revenue collections – MPESA & Bank	Accepted

References: Appendix D – Testing & Acceptance Report of Kisumu County ICRMS – Phase 1 & Kisumu County – ICRMS Phase 2 & 3 documents.

Conclusion:

The project has achieved full delivery across Phases 1 and 2 and is nearing completion in Phase 3. Final closure is contingent on the County providing the required GIS data for validation and completion.

- **Phase 1:** ✅ 100% completed and closed
- **Phase 2:** ✅ 100% completed and closed
- **Phase 3:** 🔄 96% complete
- **Pending (4%):** External dependency – GIS codes trial data provision by the County

4. INTEGRATED REVENUE MANAGEMENT SYSTEM AUDIT REPORT UP TO THE PERIOD ENDED 30TH JUNE 2025

4.1 Introduction

The contractual framework governing the relationship between the County Government of Kisumu and Safaricom PLC does not impose any obligation on Safaricom PLC to independently undertake, commission, certify, or issue statutory audit reports on behalf of the County Government. Any such audit functions, where required, remain within the mandate of the County Government and/or the relevant statutory oversight authorities.

Safaricom's obligations under the Agreement are strictly limited to the provision, support, maintenance, and security management of the ICRMS in accordance with the agreed contractual terms, service levels, and technical specifications.

4.2 Scope of the System Provider's Contractual Obligations

Under the contract between the parties, the obligations of the System Provider include, among others, provision and maintenance of the Integrated Revenue Management System:

- Hosting and/or technical support services (where applicable);
- System security management;
- User authentication controls;
- Password management mechanisms;
- Maintenance of transaction audit trails and activity logs;
- System availability and technical support.

The contract expressly provides for the System Provider to maintain:

(a) Audit Trails

The system maintains comprehensive audit trails for:

- Revenue transactions;
- User logins and logouts;
- Transaction approvals and reversals;
- Changes to user profiles and permissions;
- System-generated activities;

- Administrative actions undertaken within the system.

These audit trails are retained within the system and can be made available to authorized officers or auditors upon lawful request and in accordance with access protocols.

(b) Authentication and Access Controls

The system contains authentication controls including:

- Unique user credentials;
- Role-based access permissions;
- Password enforcement policies;
- User activity tracking;
- Access restriction mechanisms.

(c) Password Management

The system supports secure password management practices including:

- Password complexity requirements;
- Password expiry controls (where configured by the County);
- Password reset procedures;
- Restricted administrator access.

(d) System Security

The System Provider implements reasonable security safeguards including:

- Access control measures;
- Data protection protocols;
- Secure communication channels;
- System monitoring mechanisms;
- Security patching and maintenance procedures.

4.3 Position on the Requested "Audit Report"

Safaricom confirms that it has not undertaken any independent audit for the period ended 30th June, 2025 and is therefore unable to provide or submit a report in respect thereof.

4.4 Availability of System Logs and Technical Records

While Safaricom does not prepare statutory audit reports, the following technical records may be available upon formal request and subject to applicable confidentiality and data protection obligations:

- Transaction audit logs;
- User access logs;
- Authentication records;
- System activity trails;
- Security event logs;
- Administrative action records;
- Revenue transaction histories generated within the system.

Such records can assist authorized auditors or investigators in conducting an independent audit or review.

4.5 Responsibility for Revenue Reconciliation and Financial Reporting

Safaricom further clarifies that responsibility for:

- Revenue reconciliation;
- Financial reporting;
- Banking reconciliation;
- Cash accountability;
- Revenue collection oversight;
- Accounting controls; and
- Statutory audit compliance

rests with the County Government and its designated officers under the applicable public finance management laws and regulations.

The ICRMS functions as a technological platform for recording and managing transactions, but operational accountability and financial oversight remain with the County Government.

4.6 Cooperation with Authorized Audit Processes

Safaricom remains willing to cooperate with any lawful and properly authorized audit, inquiry, or investigation by:

- Providing system-generated audit trails;
- Explaining system controls and functionality;
- Demonstrating security and authentication features;
- Assisting authorized auditors to extract relevant system logs;
- Supporting verification of transaction integrity within the system.

Such cooperation shall be undertaken strictly within the scope of the contract, applicable law, confidentiality obligations, and data protection requirements.

4.7 Conclusion

In summary, Safaricom's role under the Agreement is strictly limited to the provision, operation, maintenance, and security management of the system, including functionalities such as audit trails, authentication controls, password management, and overall system security. To the extent required, Safaricom PLC may provide technical audit logs and system-generated records extracted from the system following a formal request.

For avoidance of doubt, financial accountability, statutory audit obligations, and issuance of audit reports remain solely within the mandate of the County Government and other constitutionally or statutorily established oversight institutions. Safaricom, however remains committed to supporting transparency, accountability, and lawful oversight processes strictly within the confines of its contractual mandate.

5. TRAINING RECORDS FOR ALL THE SIX TARGET GROUPS UNDER CLAUSE 9.8 OF THE CONTRACT AGREEMENT (ICT TEAM – 30, SUPER USERS – 15, SUPERVISORS – 40, COLLECTORS -400, ENFORCEMENT – 300, DECISION MAKERS – 50), INCLUDING ATTENDANCE LISTS AND EVALUATION EVIDENCE.

5.1 Training Requirement in the Contract

Section 9 of the Contract provides guidance on the training requirements. The overall objective of the training of the County Government of Kisumu officials was to enable effective and efficient use of the Integrated County Revenue Management System.

The training goals, structure, manuals, user guides/training materials were prepared by Safaricom PLC and approved by the County Government of Kisumu in line with the training requirements of the targeted user groups.

The methodology of the training was a mix of Instructor led sessions, Training of Trainers (TOT) sessions as well as practical experience on the Integrated County Revenue Management System test environments with targeted goals of ensuring full understanding of the workflows, county revenue streams, platform capabilities and use of mobile channels provided.

The County Government of Kisumu selected and approved the target groups to be trained of whom Safaricom PLC provided out of office training as documented in the training report. The target officer groups included:

- Technical team in ICT department.
- System Administrators & Revenue Administrators.
- Supervisors.
- Revenue Collectors.
- Enforcement officers.
- Revenue Board Executives & revenue team.

5.2 Training Schedules

	Training Session	Number of Trainees
1	Park View Hotel – 30th November 2023	41
2	Sunset Hotel – 1st December 2023	48
3	Park View Hotel - 4th December 2023	32
4	Park View Hotel – 5th December 2023	40
5	Reed Rivera Hotel (Nyakach) – 6th December 2023	38
6	Park View Hotel – 7th December 2023	66
7	Katito Nyakach – 8th December 2023	24
8	Park View Hotel – 13th December 2023	18
9	Park View Hotel – (Kisumu Central) 18th December 2023	77
10	Seme & Nyando sub counties – 19th December 2023	67
11	Park View Hotel – Kisumu East & Kisumu West – 20th Dec 2023	50
12	Rosa Garden Muhoroni & Nyando – 21st December 2023	31
13	Park View Hotel – Muhoroni & Nyando 22nd December 2023	34

NO.	Training	Training Delegates	Date	Location	Number of Attendees
1	Training for Muhoroni and Nyando Sub-Counties	Revenue Supervisors | Revenue officers	22/12/2023	Parkview Hotel, Kisumu	34
2	Training for Muhoroni and Nyando Sub-Counties	Revenue Supervisors | Revenue officers	21/12/2023	Rosa Garden, Muhoroni	31
3	Training for Kisumu East and Kisumu West Sub-Counties	Revenue Supervisors | Revenue officers	20/12/2023	Parkview Hotel, Kisumu	50
4	Training for Seme and Nyando Sub County	Revenue Supervisors | Revenue officers	19/12/2023	Parkview Hotel, Kisumu	67
5	Training for Kisumu Central and Kadibo Subcounties	Revenue Supervisors | Revenue officers	18/12/2023	Parkview Hotel Kisumu	77
6	Training of Trainers	Revenue Supervisors | Revenue officers	13/12/2023	Parkview Hotel Kisumu	18
7	Training for Nyakach Sub-Counties	Revenue Supervisors | Revenue officers	12/08/2023	Reeds Rivera , Katito	24
8	ICT and TOT and Nyakach	Revenue Supervisors | Revenue officers	12/07/2023	Parkview Hotel Kisumu	66
9	Training for Nyakach Sub-County	Revenue Supervisors | Revenue officers	12/06/2023	Reeds Rivera , Katito	36
10	ICT and TOT	ICT | Revenue Supervisors	12/05/2023	Parkview Hotel Kisumu	40
11	Training of Trainers (TOT)	Revenue Supervisors	12/04/2023	Parkview Hotel Kisumu	32
12	User Walkthrough Session 2	ICT team |Revenue Supervisors|	12/01/2023	Sunset Hotel , Kisumu	48
13	User Walkthrough Session	ICT team |Revenue Supervisors|	30/11/2023	Parkview Hotel Kisumu	41

	Training Session	Number of Trainees
1	Park View Hotel – 24th May 2024	48
2	Park View Hotel – 10th June 2024	73
3	Park View Hotel – 11th June 2024	71
4	Park View Hotel – 12th June 2024	39

NO.	Training	Training Delegates	Date	Location	Number of Attendees
1	Training on structured revenue streams - Liquor Module | Public Health | Property rates | Rents and stalls |	Revenue Supervisors | Revenue officers	24/05/2024	Parkview Hotel, Kisumu	47
2		Revenue Supervisors | Revenue officers	11/06/2024	Parkview Hotel, Kisumu	71
3		Revenue Supervisors | Revenue officers	10/06/2024	Parkview Hotel, Kisumu	63
4		Revenue Supervisors | Revenue officers	12/06/2024	Parkview Hotel, Kisumu	39

5.3 References

- Appendix B of Kisumu County – ICRMS Phase 1 Milestone Report (Attachment 5)
- Appendix B of Kisumu County - ICRMS Phase 2 Milestone Report (Attachment 6)

6. POST IMPLEMENTATION REPORT FOR KISUMU CITY AND THE ADDITIONAL SUB-COUNTY UNDER SPECIAL CONDITION III AS PER THE CONTRACT AGREEMENT

The pilot implementation was conducted in Kisumu Central and Nyakach Sub Counties in compliance with the Special Conditions of the Contract, Clause III. The pilot of Revenue collection system for a period of one month was carried out at this phase during which the system was deployed for Nyakach Sub County and Kisumu Central Sub County locations and monitored for any issues or feedback.

The pilot was done to test the system in a real-world setting and to collect data and insights on the system performance, user experience, and customer satisfaction. The pilot locations were recommended by the County Government of Kisumu. The pilot outcome and feedback were documented and shared. Findings and learnings captured in Appendix C – Pilot Learnings. The system was successfully implemented, tested, deployed, and enabled for the revenue streams under the phased implementation model. The system met the expectations and requirements of the County Government of Kisumu officials and the users of County services.

7. CLOUD HOSTING, SECURITY, AUDIT TRAIL AND BACK UP DOCUMENTATION UNDER CLAUSE 12.0 AND SECTIONS R, U OF THE TECHNICAL REQUIREMENTS OF THE CONTRACT AGREEMENT.

In alignment with Clause 12.0 and Sections R and U of the Technical Requirements under the Contract Agreement, Safaricom has implemented a secure, resilient, and compliant cloud hosting and cybersecurity framework for the Kisumu ICRMS. The solution is hosted within Safaricom's secure cloud infrastructure using a dedicated Virtual Data Center architecture supported by both a Primary Site and Disaster Recovery Site to ensure high availability, business continuity, and operational resilience.

Safaricom complies with ISO 27001 and other recognized cybersecurity best practices to ensure that the platform and supporting infrastructure are secure by design and continuously protected against evolving threats. In addition, multiple layers of security controls, monitoring capabilities, audit mechanisms, and access management processes have been deployed to safeguard county revenue operations, protect sensitive data, and provide continuous visibility, accountability, and secure administration of the platform.

7.1 Cloud Hosting, Infrastructure and Back up

The system is hosted in a secure cloud environment provided by Safaricom PLC as required under Clause 12.0 of the Contract which states that Safaricom PLC shall provide Cloud hosting and security services for a period of 3 years. During this time, the appointed ICT officers from the County Government of Kisumu shall be granted all the administrative and super access rights to the solution by Safaricom PLC.

The hosting, security shall be as per the response provided in 2.2.5 of the Tender Document by Safaricom PLC on IRMS Cloud Hosting Architecture (Server, storage & security services), Systems security/Audit trail and administrative module as per the response to the Tender.

Safaricom hosts the Kisumu ICRMS solution within its Safaricom cloud environment using a dedicated Virtual Data Center (VDC) architecture. The

infrastructure consists of both a Primary Site and a Disaster Recovery (DR) Site to ensure high availability, business continuity, and operational resilience.

The Primary Site operates from Safaricom's Data Center in Nairobi, Kenya, while the Disaster Recovery Site is located at Kiboswa in Kisumu, Kenya. Both environments are configured to support secure and reliable application hosting.

Each Virtual Data Center (VDC) environment includes the following core components:

- Firewalls for network security and traffic control.
- Application servers for hosting and running the RMS application.
- Monitoring tools for security oversight and performance management.

The Primary cloud environment in Nairobi is continuously replicated and backed up to the Secondary Disaster Recovery (DR) site in Kisumu, providing near real-time synchronization of the entire system environment.

The infrastructure is also equipped with comprehensive monitoring and security management tools.

In addition to infrastructure-level monitoring, the RMS application itself includes an internal audit logging mechanism. This audit tool records all user activities within the system, enabling traceability, accountability, and compliance reporting.

7.2 Cyber Security system/Audit Trail and Administration

Safaricom PLC complies to the Cybersecurity controls (e.g. ISO27001, ISO22301) and implements safeguards to always ensure its solutions are secure by design.

7.3 Security Controls Applied Within the ICRMS Platform

a) Access Controls

- Secure access through SSL VPN connectivity for approved support personnel only.
- Role-based and privileged access management using Privileged Identity Management (PIM) servers.
- Restricted administrative access based on the principle of least privilege.

- Controlled authentication and authorization processes for system administrators and support teams.

b) Prevention Controls

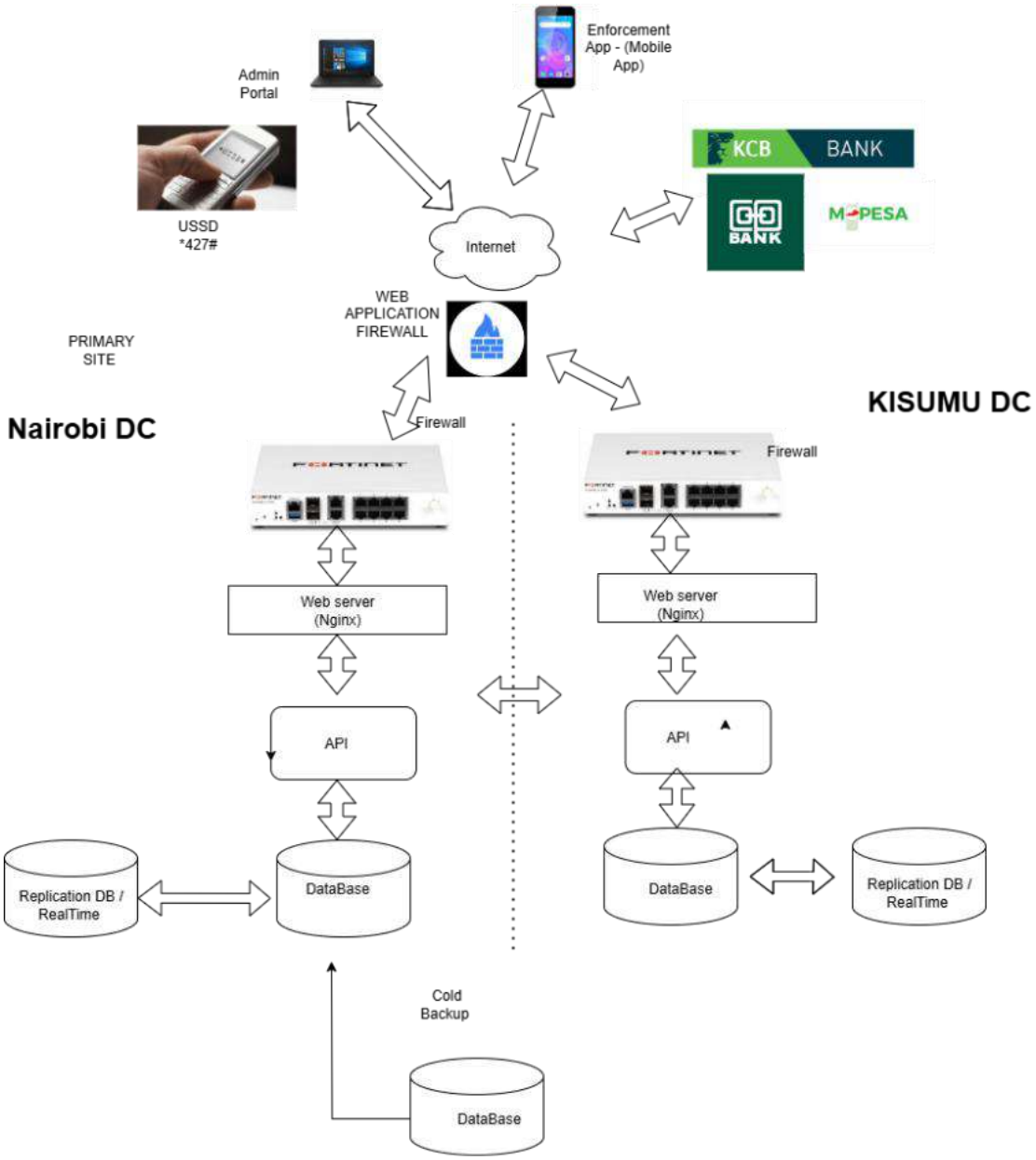
- Endpoint protection using CrowdStrike antivirus and endpoint detection solutions.
- Web Application Firewall (WAF) protection to secure web-facing services and applications.
- Enterprise-grade firewalls to secure network boundaries and regulate traffic flow.
- Mobile Device Management (MDM) controls for the Enforcement Mobile Application.
- Security hardening measures across servers and application environments.
- Controls to prevent unauthorized system changes and malicious intrusions.

7.4 Monitoring and Security Operations

- Database activity monitoring.
- Server and operating system activity monitoring.
- Network traffic and security event monitoring.
- Centralized log collection and event correlation across infrastructure components.
- Real-time alerting and incident monitoring.

The Security Operations Center (SOC) operates on a 24/7/365 basis.

Architectural Representation



The deployed hosting and cybersecurity architecture fully complies with the Technical Requirements of the Contract Agreement. Through secure cloud hosting, disaster recovery capabilities, advanced security controls, continuous monitoring, and audit logging, the solution provides Kisumu County with a resilient and secure environment for the ICRMS platform. The implementation aligns with ISO 27001 standards and industry best practices to ensure availability, data protection, accountability, and operational continuity.

8. A REPORT OF THE DATA OWNERSHIP, DATA PROTECTION AND CITIZEN PRIVACY OBLIGATIONS, UNDER THE DATA PROTECTION ACT, 2019, THE COMPUTER MISUSE AND CYBER CRIMES ACT, 2018 AND THE ACCESS TO INFORMATION ACT, 2016, INCLUDING HOSTING LOCATION, CROSS BORDER DATA TRANSFERS, AND LAWFUL BASIS FOR PROCESSING RATEPAYER PERSONAL DATA WITHIN THE INTEGRATED REVENUE MANAGEMENT SYSTEM.

Safaricom PLC ensured that the guidelines provided for by the Data Protection Act, 2019, the Computer Misuse and Cybercrimes Act, 2018 and the Access to Information Act, 2016 are well implemented in order to safeguard its obligations while deploying the Integrated County Revenue Management System for the County Government of Kisumu.

During the project implementation, Safaricom PLC carried out the Data protection Impact Assessment (DPIA) with a goal to screen, evaluate any Data privacy risks associated with the project and to ensure that compliance with the Data Protection act of Kenya, 2019.

The integrated County Revenue Management System went through the Data privacy Assurance which established:

i) County Government of Kisumu as the **Data Controller.**
ii) Safaricom PLC and its Partner RevTech Innovation Limited as being **Data Processors**
iii) The lawful basis is 'Performance of a Contract' as per the Contract between Safaricom PLC and the County Government of Kisumu.
iv) Noting the contractual relationship between Safaricom PLC and RevTech Innovation Limited, the system and all data processed therein is hosted in Kenya and specifically at the Safaricom Data Centers.

Data Privacy Assurance within the ICRMS	
Lawful Basis for Processing	Both Data Controllers and Data Processors must ensure lawful processing of personal data, adequate security safeguards, and that data subject rights are respected. Safaricom PLC established the lawful basis as the Performance of a Contract whereby Safaricom PLC is the Data Processor acting under the Instructions of the Data Controller (County Government of Kisumu) as per the agreement signed between the parties. The County Government of Kisumu defines the purpose of processing as well as the personal data to be processed to ensure quality of service delivery and revenue collection. Safaricom PLC endures secure and compliant execution and management of the Integrated County Revenue Management System as per the instructions of the County.
Data Ownership	The Citizens of Kisumu County are the owners of their personal data. They however allow the County Government of Kisumu to use and control the processing of their information whenever they use the Integrated County Revenue Management System. Safaricom PLC as the Integrated County Revenue Management System service provider / Vendor does not own any Data.
Data Protection & Citizen Privacy Obligations under applicable laws	Safaricom PLC has implemented adequate technical and organizational safeguards to ensure the delivery of a compliant Integrated Revenue Management System / platform. Organizational safeguards implemented include a valid Contract between Safaricom PLC and the County Government of Kisumu with clear responsibility and Escalation Matrices as well as delivering a simple and easy to access platform for the data subjects of Kisumu County.

	Safaricom PLC observes Data privacy by design and therefore Implemented Technical safeguards to ensure a safe and secure Integrated County Revenue Management Platform. The platform undergoes Cyber security testing and assurance to ensure minimal to no service interruption due data loss or platform unavailability. Safaricom PLC continues to support and observe its obligations as a data processor to provide the County Government of Kisumu with a reliable, safe and secure Integrated County Revenue Management System as well as remaining at hand to provide timely support whenever required.
Hosting Location	The Integrated County Revenue Management System (ICRMS) is hosted in Safaricom private data centres in Kenya and specifically in Nairobi (Safaricom Care Centre) and Kisumu (Safaricom Kiboswa Data centre)
Cross Border Data Transfers	No Data is transmitted outside Kenya Recognizing the criticality of the County Government of Kisumu services provided and the Data localization requirements, Safaricom PLC ensures that all data is processed and hosted locally in Kenya.

9. THE METHODOLOGY OF COMPUTATION OF THE 4% OF THE TOTAL REVENUE COLLECTED UNDER THE SYSTEM.

Safaricom PLC provides 24/7/365, 99% Integrated County Revenue Management system availability.

The Contract in Clause V of the Special Conditions of the Tender provides for a recurrent charge of 4% of total revenue collected via the Integrated County Revenue Management system, categorized as a Software-as-a-Service (SaaS) cost for support, maintenance, hosting, and operations.

The methodology for computation of the 4% fee under the ICRMS is based on the total eligible county own-source revenue successfully collected and reconciled through the system within a specified reporting period.

For purposes of computation - Total Revenue Collected refers to all successfully paid and reconciled county own-source revenue transactions processed through the ICRMS channels during the reporting period.

The computation excludes:

- Failed transactions.
- Reversed or voided transactions.
- Refunded transactions.

ICRMS SaaS Fee = 4% × Total Eligible Revenue Collected.

Parameters for computing the Total Eligible Revenue:

- Actual Revenue collected through the ICRMS platform.
- Reconciliation Reports against the ICRMS system generated reports.
- Signed off Verification procedure outcome (done by revenue officers).

Definition of SaaS (Software as a Service)

Software as a Service (SaaS) refers to a managed service model where the software platform is centrally hosted, operated, maintained, secured, and continuously enhanced by the service provider, while the client accesses it as a continuous service rather than owning the software outright.

Within the RMS engagement, SaaS covers the ongoing operational lifecycle of the system, including:

- Hosting infrastructure and system availability management
- Continuous system maintenance and technical support
- Security management, access control, and compliance monitoring
- Software upgrades, enhancements, and patch management
- Integration support with payment channels and third-party systems
- Disaster recovery, backup, and business continuity services
- Monitoring, reconciliation, and operational support services

Basis of the 4% SaaS Fee

The 4% SaaS fee was commercially agreed upon during negotiations between Safaricom PLC and the County Government as the recurring consideration for the ongoing provision, operation, and support of the RMS platform.

The percentage-based structure was adopted to:

- Align service costs with actual revenue performance and system usage
- Ensure scalability of fees relative to collections
- Support sustainability of long-term system operations
- Incentivize continuous system optimization, uptime, and revenue efficiency

10. A REPORT OF THE STATUS OF THE OPERATIONAL ACCEPTANCE TESTS AND OPERATIONAL ACCEPTANCE UNDER CLAUSE 4.1 OF THE CONTRACT, INCLUDING STREAM BY STREAM ACCOUNT OF WHICH REVENUE STREAMS ARE OPERATIONAL, PARTIALLY OPERATIONAL, OR NONFUNCTIONAL

County Government of Kisumu Revenue Streams	Status	
Parking (Daily parking, Seasonal Parking, Monthly stickers)	Accepted	Operational
Cess	Accepted	Operational
Markets	Accepted	Operational
Bus Parks	Accepted	Operational
Slaughter house	Accepted	Operational
Stock Ring/Cattle Ring	Accepted	Operational
Single/Unified Business Permits – Trade licences	Accepted	Operational
Public Health	Accepted	Operational
Fines & Penalties	Accepted	Operational
Rent and Stalls	Accepted	Operational
Liquor Licence	Accepted	Operational
Property Rates/Land Rates	Accepted	Operational
Outdoor Advertising – ODA	Accepted	Operational
Hire of County Assets	Accepted	Operational
Physical Planning (E-Construction)	Accepted	Operational
GIS & Mapping Integration (3rd party systems)	80% complete (capability is available; will be functional once cadastral data is provided)	Non-functional
Hospital Payment Integration (3rd party systems)	100% complete	Operational

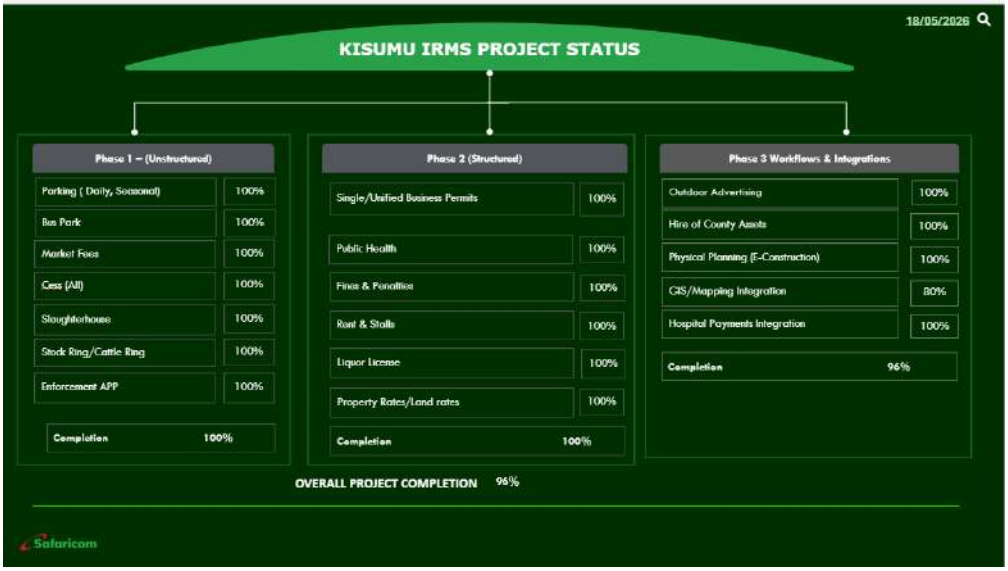
Additional work done out of scope:

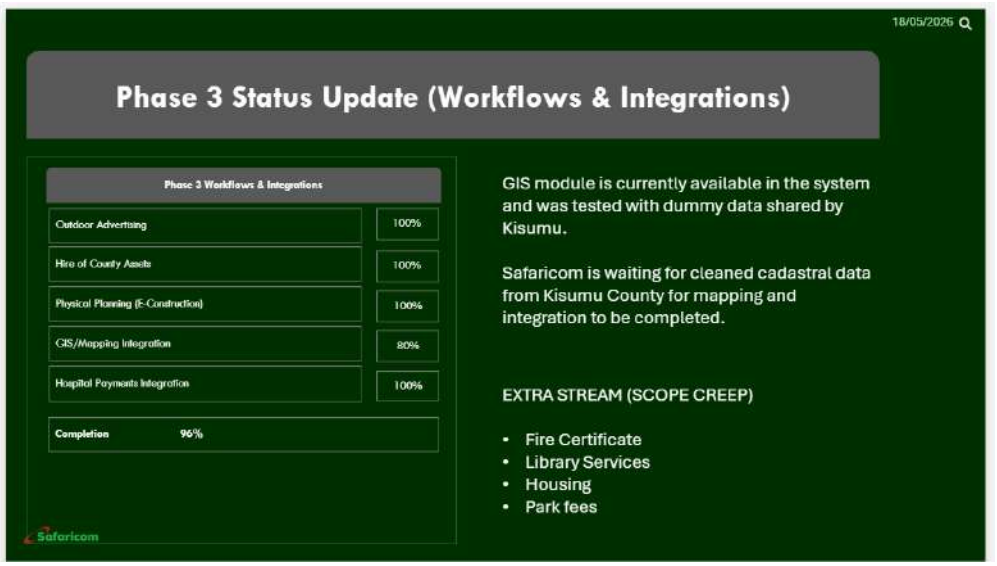
Fire certificate - 100% complete - Operational

Library services - 100% complete - Operational

Housing - 100% complete - Operational

Park fees - 100% complete - Operational





11. A REPORT OF THE SAFEGUARD MEASURES IMPLEMENTED FOR THE REVENUE MANAGEMENT SYSTEM.

To ensure the confidentiality, integrity, and availability of the ICRMS, Safaricom has implemented a comprehensive security framework comprising layered access controls, preventive security technologies, continuous monitoring, and audit management capabilities. The deployed controls are aligned with ISO 27001 standards and industry cybersecurity best practices to safeguard the infrastructure, applications, databases, APIs, and user access across the entire RMS environment. Through secure administration, proactive threat detection, real-time monitoring, and centralized security operations, the platform provides a secure, accountable, and resilient operating environment for Kisumu County's revenue operations.

Security Controls Applied Within the Environment

To safeguard the platform, various security controls and governance measures have been implemented to ensure a secure, credible, and accountable operating environment. These controls are designed to protect the infrastructure, applications, data, and user access across the entire RMS ecosystem.

Access Controls

Access to the platform is tightly controlled through defined security policies and layered access management mechanisms.

Key access security measures include:

- Secure access through SSL VPN connectivity for approved support personnel only
- Role-based and privileged access management using Privileged Identity Management (PIM) servers
- Restricted administrative access based on the principle of least privilege
- Controlled authentication and authorization processes for system administrators and support teams

These measures ensure that only authorized personnel can access critical systems and perform administrative functions.

Prevention Controls

Multiple preventive security technologies have been deployed to protect the environment against unauthorized access, malware, and cyber threats.

The implemented controls include:

- Endpoint protection using CrowdStrike antivirus and endpoint detection solutions
- Web Application Firewall (WAF) protection to secure web-facing services and applications
- Enterprise-grade firewalls to secure network boundaries and regulate traffic flow
- Mobile Device Management (MDM) controls for the Enforcement Application to secure and manage authorized mobile devices, enforce security policies, and control application access
- Security hardening measures across servers and application environments
- Controls to prevent unauthorized system changes and malicious intrusions

These technologies provide layered defense mechanisms to reduce the risk of compromise and maintain system integrity.

Monitoring and Security Operations

The environment is continuously monitored using multiple security and performance monitoring tools to enable proactive threat detection and rapid incident response.

Monitoring capabilities include:

- Database activity monitoring
- Server and operating system activity monitoring
- Network traffic and security event monitoring
- Centralized log collection and event correlation across infrastructure components
- Real-time alerting and incident monitoring

Security logs and events from various devices and systems are aggregated and correlated to provide comprehensive visibility into the security posture of the environment.

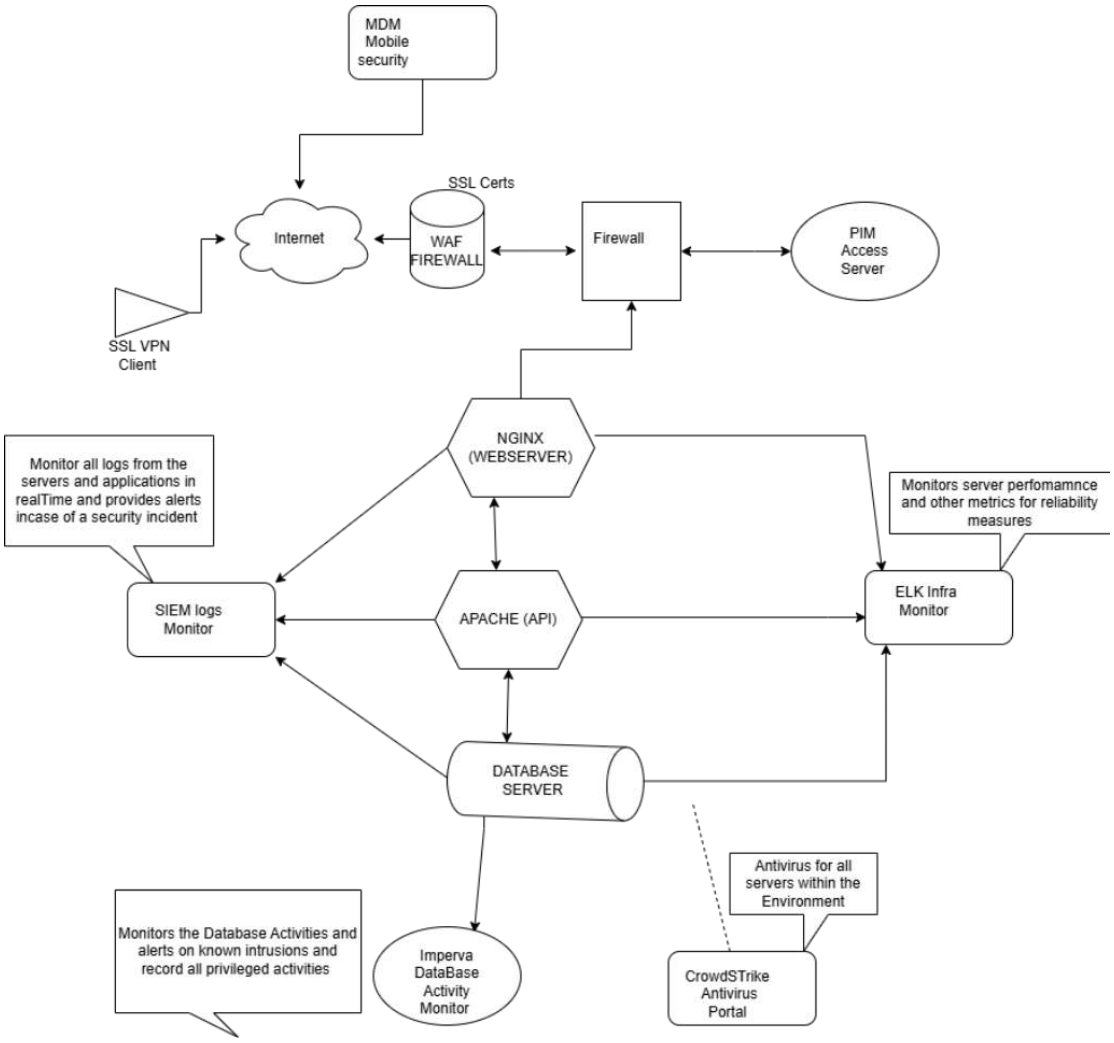
The Security Operations Center (SOC) operates on a 24/7 basis, ensuring continuous oversight, threat monitoring, and response capability across the platform infrastructure.

Below table summarizes the security layers offered by Safaricom to safeguard RMS

Control	What It Is About	Customer Benefit
MDM Mobile Security	Mobile device management and endpoint protection	Secures mobile devices, enforces policies, and reduces endpoint security risks
WAF Firewall	Web application firewall protecting internet-facing services	Blocks malicious traffic, attacks, and unauthorized access attempts
Firewall	Network traffic filtering and segmentation	Protects internal systems and controls access between environments
PIM Access Server	Privileged Identity Management for secure admin access	Controls and audits privileged access to critical systems
SIEM Logs Monitor	Centralized log collection and security event monitoring	Provides real-time visibility, alerts, and incident detection
ELK Infra Monitor	Infrastructure and application performance monitoring	Improves reliability through proactive monitoring and alerting
NGINX Web Server	Frontend web server and reverse proxy	Enhances scalability, availability, and web traffic management

Apache API	API gateway/application integration layer	Supports secure and reliable API communication and integrations
Database Server	Core enterprise data storage platform	Ensures secure storage and availability of business data
Imperva Database Activity Monitor	Database activity and intrusion monitoring	Detects suspicious database activity and supports compliance
CrowdStrike Antivirus Portal	Endpoint detection and antivirus protection	Protects servers and endpoints from malware and cyber threats

KISUMU RMS Security Architecture



To safeguard the platform, various security controls and governance measures have been implemented to ensure a secure, credible, and accountable operating environment.

11.1 Access Controls

- Secure access through SSL VPN connectivity for approved support personnel only.
- Role-based and privileged access management using Privileged Identity Management (PIM) servers.
- Restricted administrative access based on the principle of least privilege.

11.2 Preventive Measures

- Endpoint protection using CrowdStrike antivirus and endpoint detection solutions.
- Web Application Firewall (WAF) protection.
- Enterprise-grade firewalls.
- Mobile Device Management (MDM) controls.
- Security hardening measures.

11.3 Monitoring and Security Operations

- Database activity monitoring.
- Server and operating system activity monitoring.
- Network traffic and security event monitoring.
- Centralized log collection and event correlation.
- Real-time alerting and incident monitoring.

11.4Audit Trail Measures

- Logging of user activities.
- Secure audit log storage.
- Role Based Access Controls.
- Detection of unauthorized access.

The implemented security architecture provides a multi-layered defense framework that protects the RMS platform against unauthorized access, cyber threats, data compromise, and operational disruptions. Through strong access governance, preventive security controls, continuous monitoring, audit trail capabilities, and 24/7 Security Operations Center oversight, Safaricom ensures a secure, reliable, and compliant environment that supports the integrity, availability, and accountability of Kisumu County's revenue management operations.

12. A REPORT AND PAYMENT EVIDENCE OF THE TOTAL AMOUNTS PAID TO DATE (MATERIALISATION FEE PLUS 4% RECURRENT), REVENUE UPLIFT ATTRIBUTABLE TO THE SYSTEM

Introduction

This section provides a consolidated report covering three key components:

- Payments made to date in respect of the Materialisation (Implementation) Fee and the 4% recurrent Software as a Service (SaaS) charges under the Revenue Management System (RMS) engagement, including invoice references, receipt numbers, and supporting payment documentation;
- An explanation of the SaaS commercial model, including how the 4% recurrent charge was derived and how it differs from the implementation fee; and
- An analysis of revenue uplift observed following implementation and operational stabilization of the RMS, based on official County Own Source Revenue reports.

The assessment is intended to provide clarity on both the contractual payment structure and the performance impact of the RMS on revenue collection efficiency and administration.

Contractual Basis for Payments

Clause 8.0 – Charges and Service Levels of the contract defines the commercial framework governing payments by the County Government of Kisumu to Safaricom PLC. This clause outlines both the implementation fee structure and the recurring SaaS-based revenue share model.

The pricing structure was agreed upon through commercial negotiations between both parties and reflects a dual-component model comprising:

- A one-time implementation fee; and
- A recurring SaaS fee linked to system usage and revenue performance.

Implementation Payments (Materialisation Fees)

The implementation fee represents a one-time cost incurred during the deployment and operationalization of the RMS.

Total Contracted Implementation Amount - KES 49,556,676.09 (Tax Inclusive)

Payment Phases	**Description**	**Components**	**Total Amount Paid**
Phase1 40%	Implementation, Go Live (Phase 1)	Unstructured Revenue Streams	KES 19,480,899.85
Phase 2 40%	Implementation, Go Live (Phase 2)	Structured Revenue Streams (Phase 2)	KES 19,474,953.03
Phase 3 20%	Implementation, Go Live (Phase 3)	Structured Revenue Streams (Phase 3) & 3rd party systems Integrations	
		Total Payments Received (KES)	**KES 38,955,852.88**

The implementation fee covered:

- System configuration and deployment
- Revenue stream onboarding
- Integrations with payment channels and third-party systems
- Training and change management
- Data migration and go-live support

Software as a Service (SaaS) Fees

Description	Account Number	Account Name	Invoice / Receipt No.	Date	Amount (KES)	Status
Payment for SaaS Revenue (July 2024 – May 2025)	1-541200419774	COUNTY GOVERNMENT OF KISUMU	**Invoice No.:** *B1-30022081830* **Receipt No.:** *202603100021722-1*	**Invoice Date.:** 01/08/2025 **Payment Date.:** 11/03/2026	**Invoice Amount.:** 26,943,668.00 **Paid Amount.:** 26,378,713.63	Pending balance of 563,954.37
BILLING OF SAAS (RMS REVENUE SHARE) UP UNTIL JANUARY 2026	1-491561014076	COUNTY GOVERNMENT OF KISUMU	726900	21/4/2026	15714388.92	Not Paid

References:

Attachment 8: Invoice No.: B1-30022081830

Attachment 9: Invoice No.: 726900

Attachment 10: Joint Reconciliation Report - July 2024 to May 2025

Attachment 11: Joint Reconciliation Report - June 2025 to January 2026

Additional Note

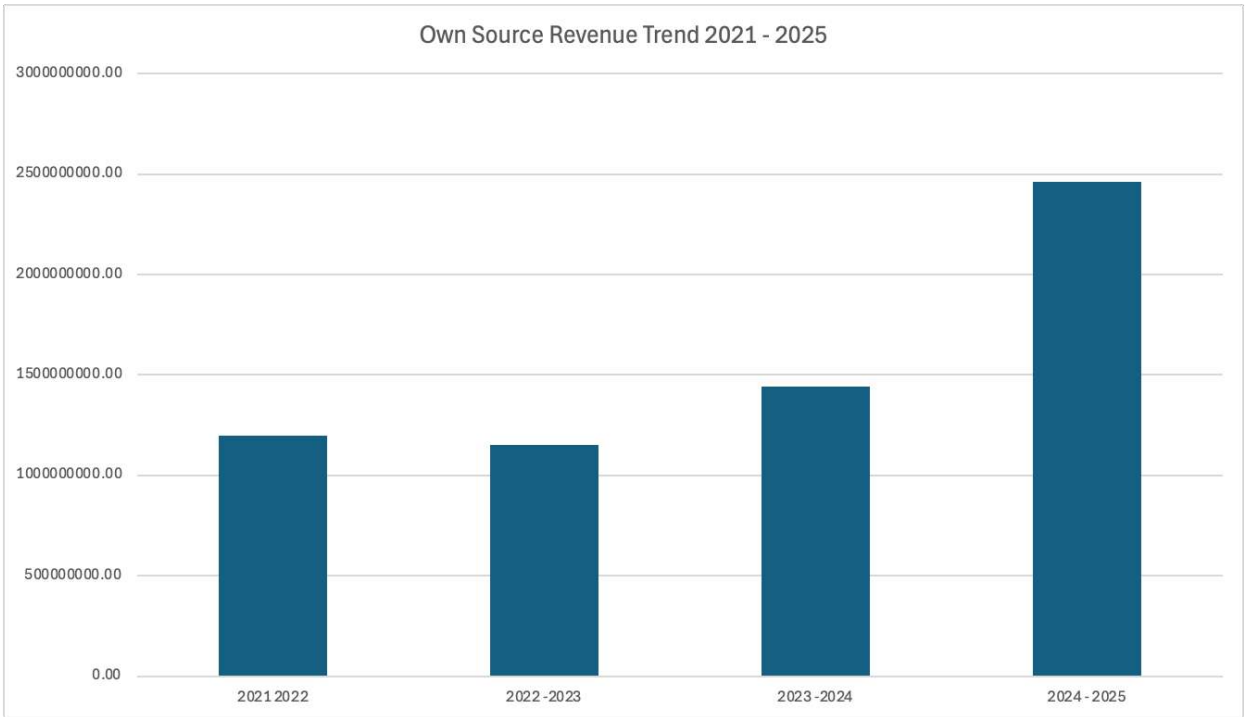
SaaS revenue for the period January 2024 to April 2024 amounting to KES 8,070,079.12 was reversed and has not been rebilled pending further reconciliation and validation.

Revenue Uplift Attributable to the RMS

There is demonstrable revenue uplift associated with the implementation and operationalization of the Revenue Management System (RMS), as evidenced by the County's Own Source Revenue performance trends over the last four financial years.

Based on the official County revenue reports:

Financial Year	**Own Source Revenue (KES)**
FY 2021/2022	1,199,145,031
FY 2022/2023	1,153,464,305
FY 2023/2024	1,443,607,988
FY 2024/2025	2,463,027,946



The data demonstrates a strong upward trajectory in Own Source Revenue performance following the implementation and operational stabilization of the RMS.

Based on official County revenue reports:

- Total Own Source Revenue for ***FY 2022/2023*** was ***KES 1,153,464,305***
- Total Own Source Revenue for ***FY 2024/2025*** was ***KES 2,463,027,946***

This represents an absolute increase of ***KES 1,309,563,641*** over the period.

In relative terms, this corresponds to a **113.53% increase** in Own Source Revenue, indicating that revenue more than doubled between FY 2022/2023 and FY 2024/2025.

The uplift can be attributed to several system-enabled improvements introduced through the RMS ecosystem, including:

- Enhanced revenue visibility and accountability through centralized, near real-time reporting across all revenue streams and collection points, reducing leakages associated with manual and fragmented processes.

- Automation of revenue collection processes including billing, invoicing, receipting, reconciliation, and reporting, reducing manual intervention and improving operational efficiency.
- Expanded digital payment channels through integration with mobile money, banks, USSD, web platforms, and the MyCounty App, increasing payment convenience and compliance.
- Improved enforcement and compliance capabilities through structured workflows, audit trails, transaction tracking, and collector accountability mechanisms.
- Increased capture of previously underperforming revenue streams following digitization and onboarding into the RMS ecosystem.
- Real-time reconciliation and monitoring through automated settlement and integration with payment channels, improving accuracy, and reducing reconciliation disputes.
- Reduction of revenue leakages through digital receipting, audit logging, role-based access controls, and centralized transaction management.

It is important to note that revenue performance may also be influenced by complementary factors such as:

- Policy and enforcement measures by the County Government
- Expansion of the County revenue base
- Improved compliance initiatives
- Economic activity growth
- Administrative reforms

Conclusion

In conclusion, the documentation provided confirms:

- The status of payments made to date under both the Implementation (Materialisation) Fee and the recurring 4% SaaS charges, including supporting invoices, receipts, and reconciliation records;

- The distinction between the one-time implementation fee (covering system deployment and operationalization) and the recurring SaaS fee (covering ongoing hosting, maintenance, support, and system operations), with the

4% charge having been commercially agreed through negotiations as part of a percentage-based revenue-linked service model; and

- A significant increase in Own Source Revenue over the review period, with a 113.53% growth between FY 2022/2023 and FY 2024/2025, indicating improved revenue performance following RMS implementation.

While multiple factors may contribute to revenue performance, the RMS has been a key enabler of improved efficiency, transparency, accountability, and optimization of revenue collection processes within the County.

References:

Attachment 12: FY 21/22 Report

Attachment 13: FY 22/23 Report

Attachment 14: FY 23/24 Report

Attachment 15: FY 24/25 Report

ATTACHMENTS

Attachment 1:

Attachment 1 - Tender Document.pdf

Attachment 2:

Attachment 2 Kisumu County RMS Proposal

Attachment 3:

Attachment 3 - Award Letter.pdf

Attachment 4:

Attachment 4 - Contract.pdf

Attachment 5:

Attachment 5 - Project Milestone Rep

Attachment 6:

Attachment 6 - Project Milestone Rep

Attachment 7:

Attachment 7 - Kisumu County ICRM

Attachment 8:

Attachment 8.pdf

Attachment 9:

Attachment 9.pdf

Attachment 10:

Attachment 10.pdf

Attachment 11:

Attachment 11.pdf

Attachment 12:

Attachment 12.pdf

Attachment 13:

Attachment 13.pdf

Attachment 14:

Attachment 14.pdf

Attachment 15:

Attachment 15.pdf

SERVICE LEVEL AGREEMENT (SLA) FOR PROVISION OF INTEGRATED REVENUE MANAGEMENT SYSTEM

1. SERVICE LEVEL AGREEMENT

1.1 Version

Version	Date	Comment	Author
1.0	2024-02-08	First Version	Michael Bright
	2024-04-10	Second Version	Philip Omondi
	2024-06-15	Third Version	Maurine Awuor Onyango
	2024-06-11	Fourth & Final version	Isaac Kabutha

1.2 Approval

Company	Role	Name	Signed	Date
SAFARICOM PLC	Author	Michael Bright		12/11/2024
SAFARICOM PLC	HOD – Technology Enterprise Services	Barrack Odero		12/11/24
COUNTY GOVERNMENT OF KISUMU	Director ICT	Maurine Awuor Onyango		07/11/24
COUNTY GOVERNMENT OF KISUMU	Deputy Director Technology- Head ICT Revenue Board	Stephen Onyango Agalo		07/11/24

2.0 Agreement Overview

2.1 SLA Introduction

This Service-Level Agreement (SLA) outlines the terms and conditions under which SAFARICOM PLC will provide the COUNTY GOVERNMENT OF KISUMU service, maintenance, and support for the Integrated Revenue Management System (IRMS). The SLA ensures mutual understanding and expectations COUNTY GOVERNMENT OF KISUMU and SAFARICOM PLC.

2.2 Definitions, Conventions, Acronyms, and Abbreviations

SLA	Service Level Agreement
IRMS	Integrated Revenue Management System
Timelines	The characteristic representing performance of action that leaves sufficient time remaining so as to maintain SLA service expectation.
KPI	Key Performance Indicators
MTTR	Mean Time To Restore
VM	Virtual Machine
RAM	Random Access Memory
CPU	Central Processing Unit
Quantifiable	Expressed as an amount, quantity, or numerical value

3.0 Service Agreement

3.1 KPI and Metrics

a) **System Uptime:** The IRMS will strive to achieve a minimum uptime of 99.5% each calendar month, excluding scheduled maintenance.

b) **Response Time:** The average response time for system support requests will be less than 300 milliseconds.

c) **System Enhancement Response Time:** Change request to be raised, approved, and executed in line with the severity level matrix.

d) **Data Accuracy:** The IRMS will maintain a data accuracy rate of 99.5% for all pricing, inventory data, and any other relevant operational data.

e) **Service Availability:** The IRMS service will be available 24 hours a day, 7 days a week, excluding scheduled maintenance windows. Scheduled maintenance will be communicated to THE COUNTY GOVERNMENT OF KISUMU at least 48 hours in advance, and efforts will be made to schedule maintenance during off-peak hours to minimize disruption. System stability before and after the scheduled maintenance sessions will be

guaranteed at 99.5%.

3.2 Service Levels, Rankings & Priorities

Severity Level	Description	Target Response
1. Outage	IRMS cloud server down	Within 30 minutes
2. Critical	High risk of server downtime	Within 1 Hour
3. Urgent	End-user impact initiated	Within 2 Hours
4. Important	Potential for performance impact if not addressed	Within 4 Hours
5. Monitor	Issue addressed but potentially impactful in the future	Within one business day
6.Informational	Inquiry for information	Within 48 hours

3.3 Service Response

Service	Description	SLA Target	Performance Metric	Measurement
Cloud service Instance	Virtual Machine uptime	99.5%	Resource Availability	MTTR, Availability
Cloud Networking	Connectivity in the cloud infrastructure	99.5%	Resource Availability	MTTR, Availability
Cloud Storage, RAM & CPU	Resource specifications	99.5%	Resource Utilization, Response Time	Data Transmission Rate, MTTR
Mpesa	Transaction success	99.5%	Availability, Response time	MTTR
Bulk SMS	SMS response	99.5%	Availability, Response time	MTTR

IRMS Application (Including API integrations to internal and 3rd party systems)	Reliability of the application	99.5%	Availability, Response time	MTTR
Devices, Mobile Data connectivity & Mobile Device Manager (MDM)	Devices fully functional & resources with sufficient data bundles and MDM fully functional.	99.5%	Functional Devices	MTTR

3.4 Service Management

3.4.1 Service Availability

Service coverage by Safaricom PLC, as outlined in this agreement, follows the schedule specified below:

1. On-site support: 7:00 A.M. to 8:00 P.M, Monday to Sunday
2. Phone support 24/7/365 basis as per section 3.2 of this agreement
3. Email Support 24/7/365 basis as per section 3.2 of this agreement

3.4.2 Technical Escalation Matrix

Escalation Level	Function	Contact
1st Level	Onsite Support Engineer	Stephen Mwangemi Mobile:0728 119 401 Email: smdawida@safaricom.co.ke
2nd Level	Business Support	Enterprise Customer Support Mobile: 0722 002 222 Email: business.support@Safaricom.co.ke
3rd Level	ICT Team	Philip Omondi Mobile:0791 602 145 Email: pomondi1@safaricom.co.ke Evans Kiprotich Mobile:0705 445 565 Email: ekiprotich2@safaricom.co.ke
4th Level	Section Manager	Senior Manager – Enterprise Service Support Fredrick Chacha – Mobile:0721 530 953 Email: fchacha@safaricom.co.ke
5th Level	Head of Department	HOD – Technology Enterprise Services Barrack Odero – Mobile:0722 540 923

		Email:BOdero@Safaricom.co.ke

3.4.3 Technical Escalation Timeframe

Target Resolution Timeframe	1st Hierarchical Escalation to Team Manager	2nd Hierarchical Escalation to Section Manager	3rd Hierarchical Escalation to Executive Head of Department	Targeted Escalation Timeframe
30 Mins	Within 30 Mins of elapsed time	1 Hour of elapsed escalation time	2 Hours of elapsed escalation time	Within 3 Hours 30 Minutes of elapsed time
1 Hour	Within 1 Hour of elapsed time	1 Hour of elapsed escalation time	2 Hours of elapsed escalation time	Within 4 Hours of elapsed time
2 Hour's	Within 1 Hour of elapsed time	2 Hours of elapsed escalation time	2 Hours of elapsed escalation time	Within 5 Hours of elapsed time
12 Hour's	Within 1 Hour of elapsed time	4 Hours of elapsed escalation time	4 Hours of elapsed escalation time	Within 9 Hours of elapsed time
24 Hour's	Within 2 Hours of elapsed time	6 Hours of elapsed escalation time	6 Hours of elapsed escalation time	Within 14 Hours of elapsed time
48 Hour's	Within 2 Hours of elapsed time	6 Hours of elapsed escalation time	6 Hour of elapsed escalation time	Within 14 Hours of elapsed time

3.4 Data Security & Confidentiality

SAFARICOM PLC will maintain strict confidentiality of all data and information related to the COUNTY GOVERNMENT OF KISUMU and will implement appropriate security measures to protect against unauthorized access, disclosure, alteration, or deletion of data.

3.5 Compliance

The IRMS will comply with all relevant laws, regulations, and industry standards applicable to revenue management systems, including but not limited to data protection laws & regulations and industry best practices. (Data Protection Act)

3.6 Performance Reviews

SAFARICOM PLC and COUNTY GOVERNMENT OF KISUMU will conduct quarterly performance reviews to evaluate the effectiveness and efficiency of the IRMS service, maintenance and support to help identify areas for enhancement and improvement.

3.7 Compensation

Possible material and/or financial compensation to the COUNTY GOVERNMENT OF KISUMU due to serious system downtime that may lead to quantifiable revenue loss.

3.8 Amendments

This SLA may be amended or updated as deemed fit through mutual agreement between SAFARICOM PLC and COUNTY GOVERNMENT OF KISUMU with written consent from both parties.

Avenue 5 Building, 4th Floor
Rose Avenue
P.O. Box: 22966-00100
NAIROBI
Phone: +254 020-4400509 / 0719851555
info@gallp.co.ke
www.gallp.co.ke

G&A Advocates LLP

K.V.D.A Plaza, 5th Floor
Oloo Street
P.O. Box 2718-30100
ELDORET
Phone: +254 53 2062416 / +254 719 851551
info@gallp.co.ke
www.gallp.co.ke

Our Ref: GA/DR-N/2/SAFCOM/1/2025 **Your Ref:** CGK/ADM/CLO/SAF/01

3rd March, 2025

The County Attorney,
The County Government of Kisumu,
P.O.Box 1902-40200.
Kisumu

Dear Mr Otieno Aluoka, *" Without Prejudice"*

RE: DEMAND FOR COMPENSATION OF KSHS 273,000,000/= IN ALLEGED REVENUE LOSSES THROUGH THE INTEGRATED REVENUE MANAGEMENT SYSTEM(IRMS)

We write on behalf of our clients, Safaricom PLC, who acknowledge receipt of your demand letter dated 10th February, 2025 and have placed it in our hands with instructions to reply as hereunder.

Our Client acknowledges that through a contract entered on 31st October, 2023, it supplied a fully automated and integrated County Revenue Management System ("the System"), which was rolled out and has been in use to date. Our Clients are aware that apart from a few technical challenges that have been experienced by the County Government of Kisumu ("the County"), which is common with such solution - based systems such as this, most of them have been resolved and none has been reported concerning "glaring inconsistencies in data capture and recording."

Particularly, our Client is not aware of any missing transactions from the system 887,086 allegedly valued at **Kenya Shillings Two Hundred Seventy-Three Million (Kshs. 273,000,000/=)** and would be happy to receive further information regarding the alleged discrepancies to enable it facilitate a thorough investigation.

Our Client greatly values the continued partnership with the County and remain open to engaging in discussions to ensure the smooth operation of the system and to uphold the integrity of your partnership.

We appreciate your cooperation and look forward to resolving this matter amicably.

G&A Advocates LLP (Reg No. LLP/2017/82) formerly practising as Gumbo & Associates under registration number 435585 is now registered as a Limited Liability Partnership.

Yours Sincerely,
FOR: G&A ADVOCATES LLP



Mwangi Kang'u,
jmwangi@gallp.co.ke
Associate

THE COUNTY GOVERNMENT OF KISUMU

OFFICE OF THE GOVERNOR

COUNTY LAW OFFICE

Our Ref: CGK/ADM/CLO/SAF/01 **Your Ref:** T.B.A. **DATE:** 10th February, 2025



TO:

THE CHIEF EXECUTIVE OFFICER
SAFARICOM PLC
P.O. BOX 66827,00800
NAIROBI

Dear Sir,

RE: DEMAND FOR COMPENSATION OF KSHS. 273,000,000/= IN REVENUE LOSSES THROUGH THE INTEGRATED REVENUE MANAGEMENT SYSTEM (IRMS)

We refer to the above matter, and more particularly, the contract entered into between yourselves and the County Government of Kisumu dated 31st October 2023 of **SUPPLY, DELIVERY, DESIGN, DEVELOPMENT, INSTALLATION, DEPLOYMENT, TESTING AND MAINTAINENCE OF A FULLY AUTOMATED AND INTEGRATED COUNTY REVENUE SYSTEM - GK/FIN/OP/2023 -2024/005 (the 'contract').** The full details of the contract are well within your knowledge.

The contract allowed you the **exclusive** right to provide the County Government of Kisumu with the said services as more particularly detailed in the special condition of the same whereof you were to perform the stated agreement with reasonable skill and care. It was also a condition of the agreement that you, SAFARICOM PLC shall bear any/all liabilities associated with the system. In the corollary, by a separate agreement, you initiated a partnership with REV TECH INNOVATIONS LIMITED to ensure an efficient and effective system delivery of the contract.

Our instructions in the matter is that the County Treasury of Kisumu has established that as at 20th September 2024, **Eight hundred and Eighty Seven thousand and Eighty Six (887,086) transactions** with an estimated value of **Kshs. 273 million** were missing from the system's

database. Indeed, there has been a growing body of evidence of collision between staff of the said REVTECH INNOVATIONS LIMITED and other unscrupulous actors to cause theft of revenue using the system, matters that you continue to turn a blind eye to. We are further instructed that these are matters that have been previously brought to your attention for investigations and necessary action without much progress.

As things stand, the County Government has also observed and brought to your attention glaring inconsistencies in data capturing and recording, which compromise the integrity and reliability of the revenue system, further breaching the contractual commitment under the agreement to provide an efficient revenue management system. Indeed, the County Government is losing trust in the system as it has permitted a colossal loss of public funds, which loss you have and continue to treat lightly. We are therefore under instructions to inform you that your attitude is derelictous of your contractual obligations and as such the County Government is hereby giving notice to you herein of your breach unless this is satisfactorily remedied.

PLEASE THEREFORE TAKE NOTICE that the County Law Office is now under peremptory instructions to demand from you, which we hereby do for the full compensation of the **Kshs. 273,000,000** in estimated lost revenue from the system. In satisfying the basis of negotiating liability on the revenue losses herein, the County Government of Kisumu is willing to see your office institute a full and comprehensive audit of the IRMS at your own cost for the contract period so far. Once this is done, it shall avail itself to you the opportunity to sit down to assess the apportionment and settlement of any established liability and trigger other agreed remedial actions on the contract.

NOW TAKE FURTHER NOTICE that unless we hear from you within **21 days** hereof, the County Law Office shall have no option but to institute legal action against you in this matter, with other risks against you as to possible award of damages and costs of litigation.

Yours faithfully

OFFICE OF THE KISUMU COUNTY ATTORNEY
10 FEB 2025

Otieno Aluoka N.O.
The County Attorney, Kisumu County.

CC:

Prof. Peter Anyang' Nyong'o (The Governor)
Hesborn Hongo (The County Secretary0
George Okong'o (CECM, Finance, Economic Planning and ICT Services)

THE COUNTY GOVERNMENT OF KISUMU

Kisumu County Revenue Board

KCRB/CEO/2/15/VOL.1/014 **Date: 6Th September, 2024**

ACCOUNT MANAGER
SAFARICOM PLC
KISUMU.

Attn'

ISAAC,

RE: ISSUES RAISED ON IRMS

Receive greetings from the Board.

There are issues raised by revenue officers which need urgent attention. This is therefore to request the following:

1. All unpaid invoices for **Unstructured Revenue Streams** which has accumulated since December 2023 to September 2024 be removed from the system because this is money that cannot be collected.

2. The IRMS system be set in such a way that all unpaid invoices for **Unstructured Revenue Streams** to be automatically cleared/removed from the system after 24hrs.

3. Cleanup of the system and filter the system to only provide reports of the genuine unpaid invoices for **Structured Revenue Streams.** There are cases of repeated same unpaid invoices more than once, even 20 times. There is need to remove the repeated unpaid invoices so that only one genuine unpaid invoice is reflected in the System for structured Revenue Stream.

4. The IRMS system be set in such a way that it can ONLY generate a unique ID once. Once this ID is generated once it cannot repeat itself. We need the invoices generate only once even if the users and Revenue staff click 50 times. This is to avoid duplications

5. Even in cases of Network issues, and invoice should be generated only once. Let this be set automatically in the system

6. There should be ledgers for structured revenue such as land rates, rent, licenses ete for proper record keeping and references during payments.

7. For ease of each revenue stream's performance tracking, the following revenue streams should be set up independently and distinctly in the++ systems. Tuk Tuk, Motor Bykes (Boda Boda), Reserved Parking Slots, Clamping Fees.

8. Safaricom Team to ensure there is no downtime at System, Bank and Mpesa Levels. Even if there is downtime then the system should remember and avoid repeating invoices.

9. Improve on the system technical issues and support for efficient revenue collection and reporting.

Thank you for your continued cooperation.

Dr. BENTER OMOLO
Ag. Chief Executive Officer

P.O Box 86-40100, Kisumu
Email:kisumuassembly@gmail.com

Email:owenojuok@gmail.com
Web:www.kisumuassembly.go.ke

County Assembly Of Kisumu

OFFICE OF THE CLERK

Ref. CAK/AD-HOC/OSR/008/2026

Wed, 13th May 2026

The Regional Director,
Safaricom PLC,
Kisumu

Dear Sir,

RE: INVITATION TO APPEAR BEFORE THE AD – HOC COMMITTEE ON OWN SOURCE REVIENUE (OSR)

We refer to the above subject matter and your letter dated 7th May, 2026.

Pursuant to Article 185 (3) of the Constitution of Kenya, 2010, read together with Section 8 of the County Governments Act, 2012, the County Assembly of Kisumu, through its Ad Hoc Committee on Own Source Revenue, is currently undertaking an inquiry into the performance, administration, and governance of own source revenue within Kisumu County, in exercise of its constitutional, statutory, and oversight mandate.

Following your request for extension of time, kindly be notified that the Ad-Hoc Committee has been mandated to conduct the inquiry within a strict timeline and its mandate expires on the 26th of May, 2026.

Accordingly, the Committee requests you to appear on **Wednesday 20th of May, 2026** as from **11.00 A.M.** Therefore, provide the committee with the notice of your attendance before the said dates.

Additionally, in accordance with the subject of this inquiry, the Committee requests that you furnish it with the following documentations in detail on or before 18th May, 2026:

i. Phase-by-phase implementation reports of the Integrated Revenue Management System , Operational Acceptance Certificates and Go-Live verification documents for Phases 1, 2 and 3
ii. Integrated Revenue Management System Audit Report up to the period ended 30th June, 2025;
iii. Training records for all six target groups under Clause 9.8 of the Contract Agreement (ICT team – 30; super users – 15; supervisors – 40; collectors – 400; enforcement – 300; decision makers – 50), including attendance lists and evaluation evidence.

iv. Pilot implementation report for Kisumu City and the additional sub-county under Special Condition III as per the Contract Agreement;

v. Cloud hosting, security, audit trail and backup documentation under Clauses 12.0 and Sections R, U of the Technical Requirements of the Contract Agreement;

vi. A Report on the Data ownership, data protection and citizen privacy obligations under the Data Protection Act, 2019, the Computer Misuse and Cybercrimes Act, 2018, and the Access to Information Act, 2016, including hosting location, cross-border data transfers, and lawful basis for processing ratepayer personal data within the Integrated Revenue Management System;

vii. The methodology of computation of the 4% of the total revenue collected under the system;

viii. A Report on the Status of Operational Acceptance Tests and Operational Acceptance under Clauses 4.1 of the Contract, including a stream-by-stream account of which revenue streams are operational, partially operational, or non-functional;

ix. A Report on the Safeguard Measures implemented for the Revenue Management System;

x. A Report and payment evidence of the total amounts paid to date (materialisation fee plus 4% recurrent), revenue uplift attributable to the System, and

xi. Any other information that would be relevant to this inquiry

Yours Sincerely,

COUNTY ASSEMBY OF KISUMU
DEPUTY CLERK
13 MAY 2026
P.O.BOX 86 - 40100, KISUMU
SIGN:.....

ADV. NASHON KUSINA OPANGA
FOR: CLERK OF THE ASSEMBLY

CC:

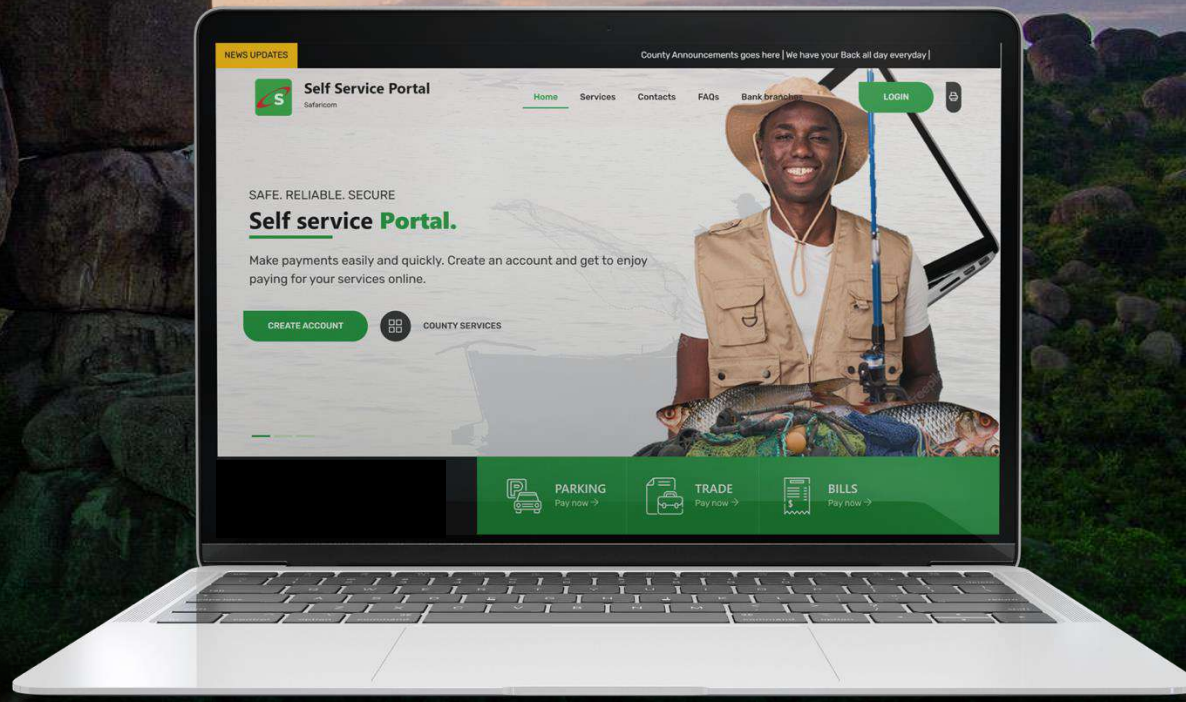
1. Hon. Elisha J. Oraro - Speaker of the Assembly
2. Hon. Ken Ooko - Leader of the Majority Party
3. Hon. Lumumba Owade - Chairperson; Ad-Hoc Committee Own-Source Revenue
4. Mr. George Okong'o - CEC Member for Finance and Economic Planning

NO.	Bill No	Description	Location	Attendant	Billed Amount	Amount Paid	Balance	Status	Date
1	BLL0210033302632	**KAMAAS SHOP** (OTHER SBP CHARGES) Small trader, shop or retail services and or premises less than 50 square feet ..., Business ID: 9334	KISUMU CENTRAL RAILWAYS KISUMU	Beatrice Otieno	KES 5,850.00	KES 5,850.00	KES 0.00	PAID	2026-02-10 15:33:0
	BLL0404015024671	**KAMAAS SHOP** (OTHER SBP CHARGES) Small trader, shop or retail services and or premises less than 50 square feet ..., Business ID: 9334	KISUMU CENTRAL RAILWAYS KISUMU	Beatrice Otieno	KES 11,950.00	KES 11,950.00	KES 0.00	PAID	2025-04-04 13:50:2

CamScanner

TUINUANE
Let's Go Beyond

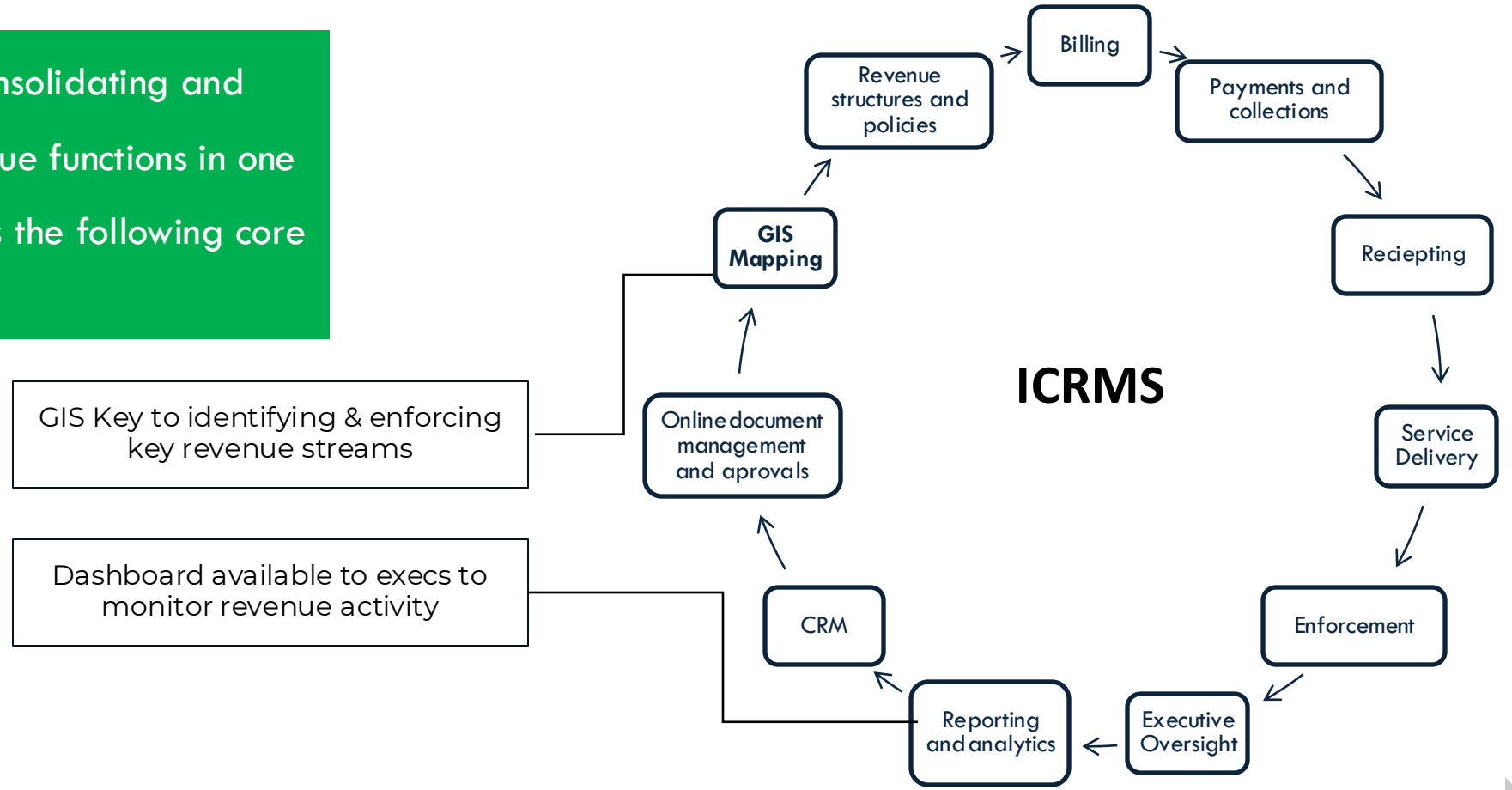
Integrated Revenue Mgt Solution – (IRMS) - ARCHITECTURE



Safaricom

Integrated County Revenue Management System (ICRMS)

An integrated platform consolidating and managing all county revenue functions in one platform. The platform has the following core modules.



Connectivity | **Hosting** | **Devices** | **Cyber Security** | **Payment's integration** | **Channels**

C2 - Safaricom Internal

Integrated Solution components

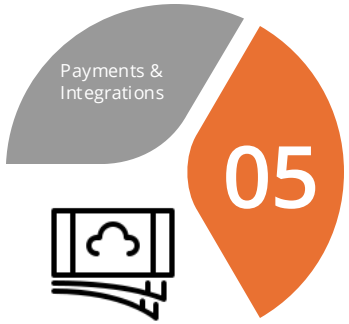
Implementation and Project Management | Annual Maintenance | Change Management



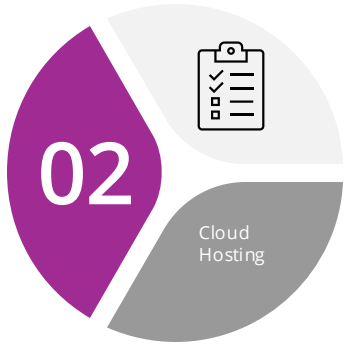


Revenue Mgt Application A web based system to manage and monitor your revenue collection as well as your revenue agents. Provides you will real-time data and reports.

Payments & Integrations M-PESA Paybill | Daraja APIs| Bank Integrations | IFMIS Integration | 3rd Party System Integrations



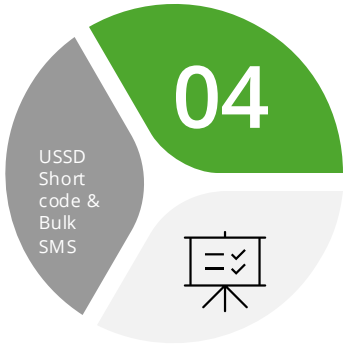
ICRMS

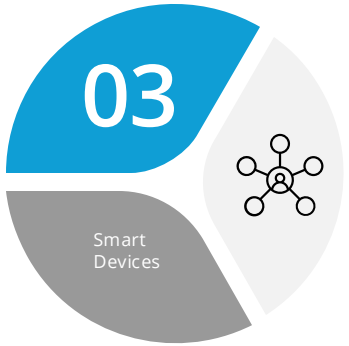


Cloud Hosting & Security a secure and reliable in-country cloud service that hosts and maintains the application, as well as your data and backups. It also include cyber security protection

Channels

USSD Shortcode | SMS Sender-ID| MyCounty APP| WhatsApp | Self Service web Portal | Android Enforcement App

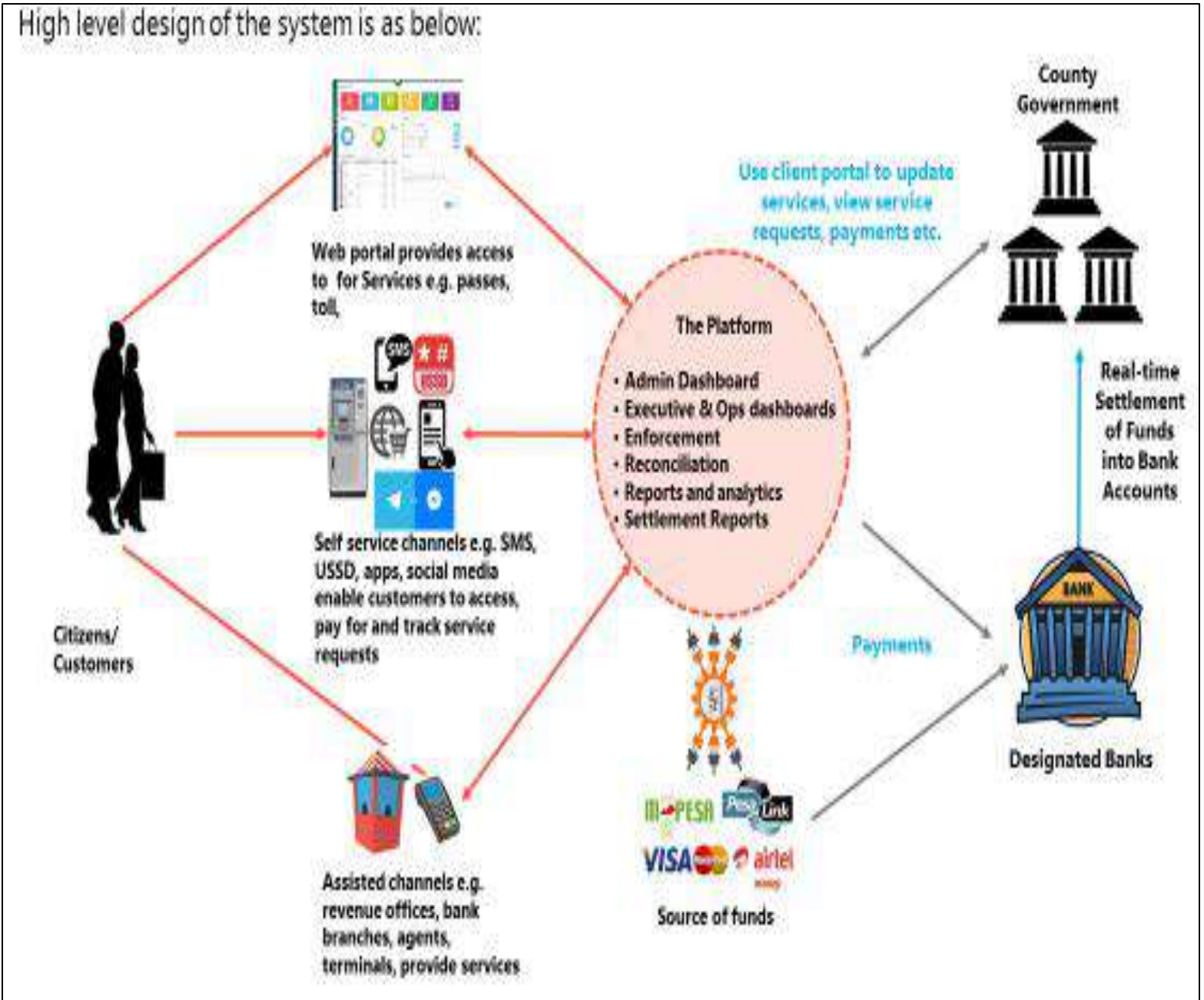


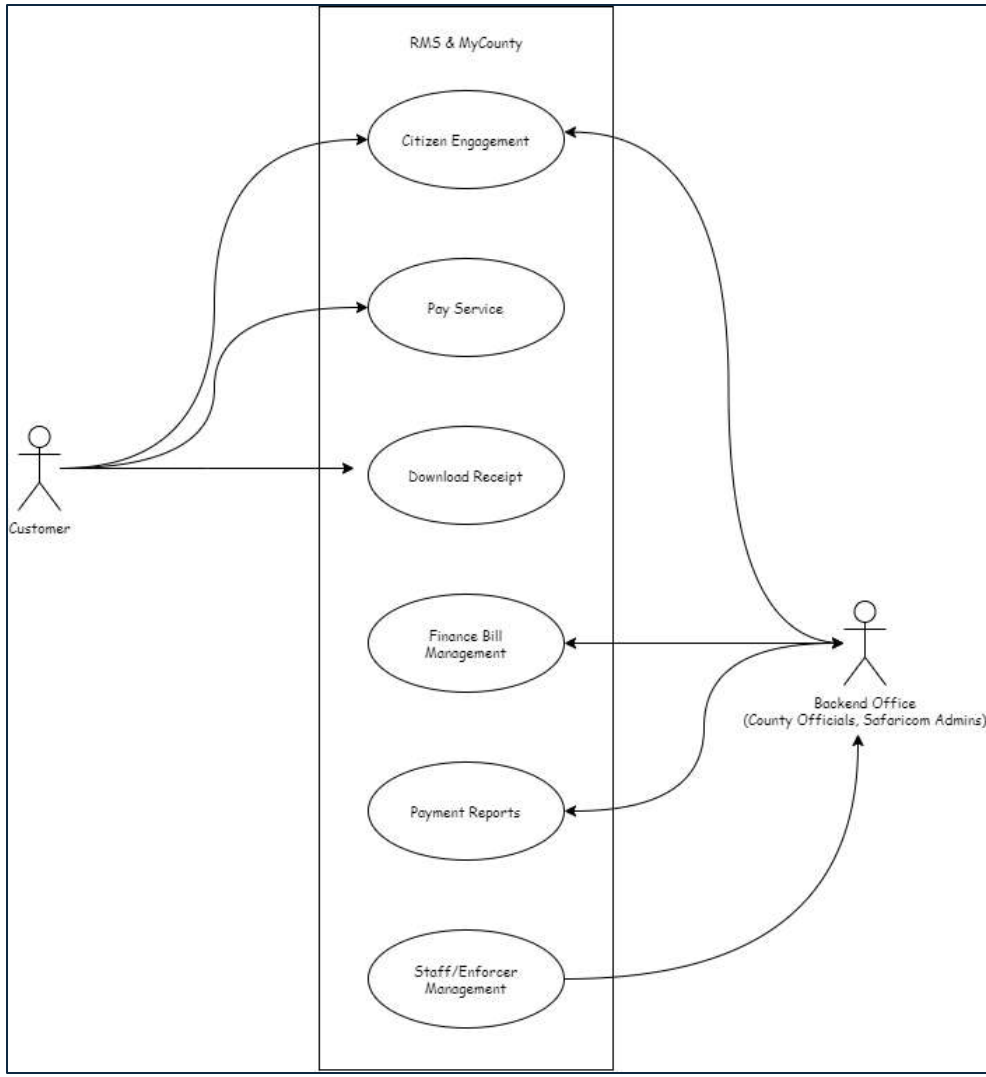


Devices includes smart phones and handheld printers required by revenue collectors to collect revenue. Includes device management , insurance & maintenance. Mobile data connectivity to support the application is also included.

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Platform Architecture

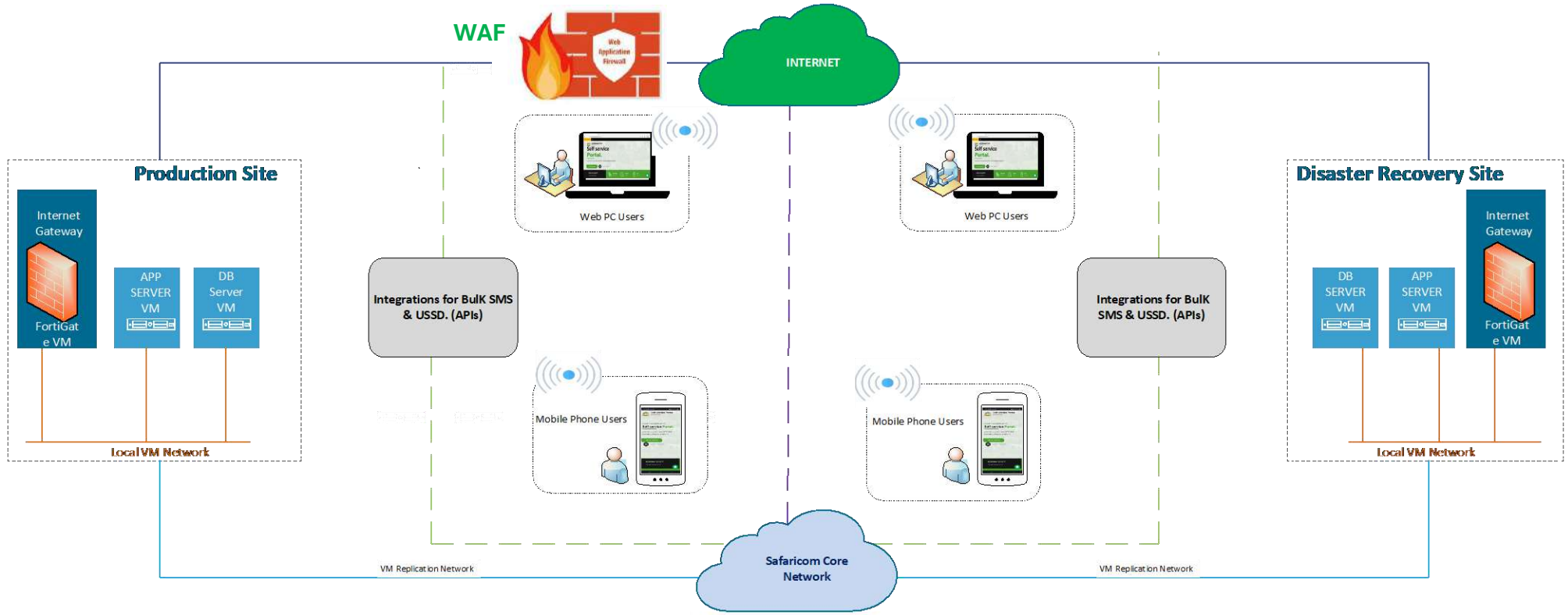




C2 - Safaricom Internal

Hosting Architecture

KISUMU COUNTY RMS CLOUD HOSTING SCHEMATIC DIAGRAM



VM Specifications:
APP Server : 8 vCPU, 16GB RAM, ITB Storage
DB Server : 8 vCPU, 12GB RAM, 5TB Storage
FortiGate : 4 vCPU, 8GB RAM, 100GB Storage

LEGEND:
- VM Network
- Replication Network
- Internet Network
- VAS interations

NOTES:
- Safaricom shall provision an APP server VM, DB server VM and FortiGate Firewall VM with the specified sizing requirements to host the Revenue Management System.
- 40 Mbps Cloud IP Internet shall be provisioned to provide internet access to the RMS Platform
- The system shall be protected by an Edge FortiGate VM Firewall which shall be configured for UTM protection. The FortiGate will also be the internet Gateway
- Anti DDOS protection shall be implemented and configured
- VM Replication shall be configured between production site and Disaster Recovery Site. Replication will happen over safaricom IT private MPLS network
- Integration to USSD and Bulk SMS.
- Mpesa integration is via Daraja internet API



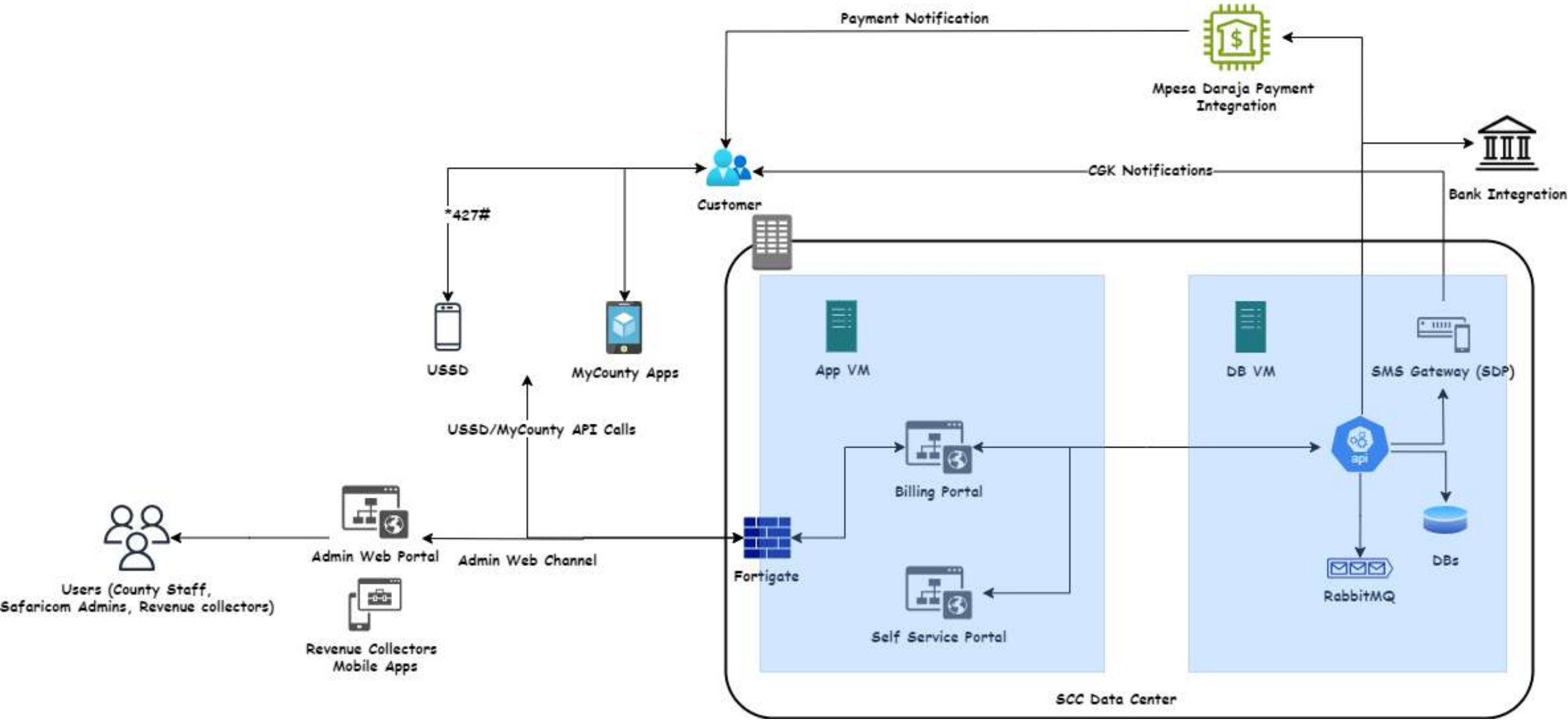
SOC Monitoring



Network Performance Monitoring

NB: WAF & SOC in progress

Solution Architecture



Infrastructure Setup Per site

1. *Software*
   - CentOS
   - MariaDB
   - RabbitMQ
   - Fortigate Firewall
2. *Hardware*
   - APP Server : 8 vCPU, 16GB RAM, ITB Storage
   - DB Server : 8 vCPU, 12GB RAM, 5TB Storage
   - FortiGate : 4 vCPU, 8GB RAM, 100GB Storage
3. *Network*

- 40 Mbps Cloud IP Internet

High Availability and Disaster Recovery

- The current setup is based on an active passive architecture to ensure high availability and DR. This will allow quick failover if the main site is affected to DR.

C2 - Safaricom Internal

THE COUNTY GOVERNMENT OF KISUMU

Kisumu County Revenue Board

KCRB/CEO/2/15/VOL.1/014 **Date: 6Th September, 2024**

ACCOUNT MANAGER
SAFARICOM PLC
KISUMU.

Attn'

ISAAC,

RE: ISSUES RAISED ON IRMS

Receive greetings from the Board.

There are issues raised by revenue officers which need urgent attention. This is therefore to request the following:

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8. Safaricom Team to ensure there is no downtime at System, Bank and Mpesa Levels. Even if there is downtime then the system should remember and avoid repeating invoices.

9. Improve on the system technical issues and support for efficient revenue collection and reporting.

Thank you for your continued cooperation.

Dr. BENTER OMOLO
Ag. Chief Executive Officer

SECOND REPORT ON OWN SOURCE REVENUE

CLARIFICATION ON ISSUES RAISED ON 20TH MAY 2026

1. TRUE REPORTS AND FEEDBACK TO MY BEST KNOWLEDGE

This is to inform the Adhoc Committee on OSR and the County Assembly that all the reports and the feedback I have given is true testimony. I have never lied to the committee. If the committee feels I lied then I kindly request those lies be pointed out and I be allowed to verify those allegations

2. ALLEGED REVENUE LEAKAGES AND FRAUD - BETWEEN FEB- JUNE 2024

County Government of Kisumu Contracted Safaricom PLC to provide Integrated Revenue Management System (IRMS). The implementation process commenced on 1st November 2023. The system was rolled out and put to use from 18th Dec 2023, this was mainly the unstructured Revenue like Markets, parking, buspark etc

The parties proceeded with implementation of the structured revenue like SBP Permits, ODA, Landrates etc. in February 2024 the implementation of SBP was completed and tested, and thereafter they were put into use. The clients used the system to pay for SBP, ODA etc

Around end of June and July 2024 there was an allegation of revenue leakages and fraud, it was alleged County lost money between the months of **Feb- June 2024**. Some investigation were carried out by Revenue Board, the Executive and I believe it was done in accordance with the Law. I was also investigated and I gave feedback to the best of my knowledge.

In September 2024 Safaricom PLC was requested to remove duplicated/ repeated (unpaid invoices) for unpaid structured revenue streams. They were also told to remove the unpaid invoices for the unstructured revenue streams after 24 Hrs. This was a genuine request by revenue board because the reconciliation and auditors raised issues inaccurate data of unpaid invoices owed by clients, Safaricom needed to remove the duplicated/ repeated (unpaid invoices) structured revenue streams and the unpaid invoices of unstructured revenue streams so that we have actual and genuine data in the system.

After Safaricom removed and archived the data, we realized they removed even correct and actual data of some unpaid invoices and some paid invoices. Safaricom PLC was then told to re-upload back the data, they then uploaded back the data of genuine unpaid invoices and paid invoices.

Later there was a letter sent to Safaricom PLC by County on the alleged revenue lost amounting to KSh **273 Million**. Safaricom PLC then requested for more information on the allegation of money lost amounting to KSh **273 Million**. To date this issue still pending because county was waiting for feedback from Safaricom PLC on:

1. User Logs
2. Removed/Deleted data
3. Independent investigation report.

3. ACCESS RIGHTS TO THE SYSTEM

During the implementation of the IRMS system from Dec 2023 to Dec 2024 the County staff were only granted access to the Application side/ User interface of the system. Staff had different access rights depending on their roles. Two (2) staff from Kisumu County were granted Super Admin Rights to the Application side/ User interface side of the system. We could only access the Application side/ User interface of the system from **Dec 2023 to Dec 2024.**

Safaricom PLC had not grated the rights to the Backend Environment during this period, they had suggested that they will give the Backend Environment rights after full development and Design of the system.

After the allegations of revenue leakage that's when Safaricom agreed to give access rights to the Backend Environment and database. Safaricom PLC gave a **Read Only Access rights** to the backend Environment and had to train the staff with the rights on how to navigate the Backend Environment. The training was finalized on **18th March 2025**. So the 4 staff with the access rights to the backend environment could only access it and navigate well after **March 2025**. The staff with **Read Only Access rights** to the backend Environment of the system are:

1. CECM Finance and ICT
2. Director ICT
3. Deputy Director ICT -Head of ICT in Revenue Board
4. One (1) ICT Officer from Revenue Board

So the above staff had both access to the Application side/ User interface of the system and **Read Only Access rights** Backend Environment so seen to be access larger part of the system.

NOTE: The **Read Only Access rights** to the backend Environment and training was finalized on **March 2025**

4. IMPLEMENTATION PHASES AND PAYMENTS

The system was implemented in phases and was to be paid in phases after verification of the invoices.

Phase one was completed and paid
Phase two was completed and paid
Phase three was not completed, some modules and integration was not implemented, have not been paid/ shouldn't be paid

There was a 4% on SAAS or commission of revenue through the system. This has been paid only 11 months from July 2024- May 2025.

The SAAS or commission of revenue through the system for the Dec 2023-June 2024 was a contentious issue and was not paid until the allegations on revenue leakages is sorted out by both parties.

From June 2025 to date county has not paid SAAS or commission of revenue through the system because they have not been able to do reconciliation, verification to confirm the figures,

Fw: Resumption of Kisumu RMS Backend Access Training

From Philip Odhiambo Omondi <POmondi1@Safaricom.co.ke>
To Maurine Onyango <maurine.onyango@kisumu.go.ke>
Date 2026-05-20 15:37

Accessing Virtual Machines via CyberArk Identity Management.docx (~30 KB) Kisumu RMS Walkthrough.webm (~9.8 MB)

Hello Maurine,

Find attached the communication on Backend access sessions that we had

Best Regards,
Philip Omondi

C2 - Safaricom Internal

From: Philip Odhiambo Omondi <POmondi1@Safaricom.co.ke>
Sent: Tuesday, March 18, 2025 1:07 PM
To: magak caesar <magakcaesar@gmail.com>
Subject: Fw: Resumption of Kisumu RMS Backend Access Training

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From: Philip Odhiambo Omondi <POmondi1@Safaricom.co.ke>
Sent: Wednesday, February 19, 2025 12:45:53 PM
To: maurine.onyango@kisumu.go.ke <maurine.onyango@kisumu.go.ke>
Cc: Samuel Mwangi Njoroge <SNjoroge1@Safaricom.co.ke>; Stephen Mwangemi Mdawida <SMdawida@Safaricom.co.ke>; steve.agalo@kisumu.go.ke <steve.agalo@kisumu.go.ke>; magakcaesar@gmail.com <magakcaesar@gmail.com>; Evans Kiprotich <EKiprotich2@Safaricom.co.ke>; Dennis Waweru Ngondi <DWngondi@Safaricom.co.ke>
Subject: Re: Resumption of Kisumu RMS Backend Access Training

Good Afternoon Maurine,

Attached you will find a recorded video tutorial demonstrating how to access the platform. I've also included a written guide for your reference.

This guide provides step-by-step instructions for accessing virtual machines using CyberArk Identity Management, including QR code authentication, platform login, navigating to VMs, and accessing database logs. The video tutorial offers a visual walkthrough of the process, particularly for connecting to the Windows jumpserver.

Please review both the video and the written guide at your convenience. If you have any questions or require further assistance after reviewing the materials, please don't hesitate to reach out.

Kind regards,
Philip Odhiambo

From: Philip Odhiambo Omondi <POmondi1@Safaricom.co.ke>
Sent: Monday, February 10, 2025 10:59 AM
To: maurine.onyango@kisumu.go.ke <maurine.onyango@kisumu.go.ke>
Cc: Samuel Mwangi Njoroge <SNjoroge1@Safaricom.co.ke>; Stephen Mwangemi Mdawida <SMdawida@Safaricom.co.ke>; steve.agalo@kisumu.go.ke <steve.agalo@kisumu.go.ke>; wawerudenis11@gmail.com <wawerudenis11@gmail.com>; magakcaesar@gmail.com <magakcaesar@gmail.com>; Isaac Gikonyo Kabutha <IKABUTHA@Safaricom.co.ke>; Evans Kiprotich <EKiprotich2@Safaricom.co.ke>
Subject: Re: Resumption of Kisumu RMS Backend Access Training

Good Morning Maurine,

I'll schedule the session for tomorrow Tuesday, 11th at 10AM

Regards

From: maurine.onyango@kisumu.go.ke <maurine.onyango@kisumu.go.ke>
Sent: Monday, February 10, 2025 10:30 AM
To: Philip Odhiambo Omondi <POmondi1@Safaricom.co.ke>
Cc: Samuel Mwangi Njoroge <SNjoroge1@Safaricom.co.ke>; Stephen Mwangemi Mdawida <SMdawida@Safaricom.co.ke>; steve.agalo@kisumu.go.ke

<steve.agalo@kisumu.go.ke>; wawerudenis11@gmail.com <wawerudenis11@gmail.com>; magakcaesar@gmail.com <magakcaesar@gmail.com>; Isaac Gikonyo Kabutha <IKABUTHA@Safaricom.co.ke>; Evans Kiprotich <EKiprotich2@Safaricom.co.ke>

Subject: Re: Resumption of Kisumu RMS Backend Access Training

Safaricom Security Warning: This email was sent from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Philip,

I am sorry last week we couldn't meet . Kindly organize for the final DB
training this week.

Thanks

On 2025-02-05 12:26, Philip Odhiambo Omondi wrote:
> Dear Team,
>
> This email serves as a formal notification regarding the resumption of
> backend access management for Kisumu RMS Servers (hosting the Database
> and Production Servers) utilizing the CyberArk Privileged Identity
> Management Platform.
>
> Regards
>
> _____
>
> Microsoft Teams Need help? [1]
> Join the meeting now [2]
> Meeting ID: 317 902 679 419
> Passcode: zF2WA2zC
>
> ----------
>
> Dial in by phone
> +44 20 7660 8302,,801860996# [3] United Kingdom, City of London
> Find a local number [4]
> Phone conference ID: 801 860 996#
> Join on a video conferencing device
> Tenant key: 984283207@t.plcm.vc
> Video ID: 122 627 419 0
> More info [5]
> For organizers: Meeting options [6] | Reset dial-in PIN [7]
>
> _____
>
> Links:
> ------
> [1] https://aka.ms/JoinTeamsMeeting?omkt=en-US
> [2]
> https://teams.microsoft.com/l/meetup-join/19%3ameeting_YWQwYzZhYzItMDQ5Ni00ZjJhLWJiYTQtNTczMzA5MDg1ZTI0%40thread.v2/0?context=%7b%22Tid%22%3a%2219a4db07-607d-475f-a518-0e3b699ac7d0%22%2c%22Oid%22%3a%22f5d101e1-8268-4079-b800-2dad24cd7430%22%7d
> [3] tel:+442076608302,,801860996#
> [4]
> https://dialin.teams.microsoft.com/550a49af-f7a7-4ed9-a233-eb680f1eb6d3?id=801860996
> [5] https://dialin.plcm.vc/teams/?key=984283207&conf=1226274190
> [6]
> https://teams.microsoft.com/meetingOptions/?organizerId=f5d101e1-8268-4079-b800-2dad24cd7430&tenantId=19a4db07-607d-475f-a518-0e3b699ac7d0&threadId=19_meeting_YWQwYzZhYzItMDQ5Ni00ZjJhLWJiYTQtNTczMzA5MDg1ZTI0@thread.v2&messageId=0&language=en-US
> [7] https://dialin.teams.microsoft.com/usp/pstnconferencing

--
Maurine Awuor Onyango
Director ICT
Department of Finance, Economic Planning and ICT (E-Government)Services
County Government of Kisumu
Prosperity Building, 8th Floor

P.O. Box 2738-40100 Kisumu
maurine.onyango@kisumu.go.ke
0725246781

To

Chair of Adhoc Committee on OSR

County Assembly of Kisumu

CLARIFICATION REPORT ON ISSUES RAISED ON 20TH MAY 2026

1. TRUE REPORTS AND FEEDBACK TO MY BEST KNOWLEDGE

This is to inform the Adhoc Committee on OSR and the County Assembly that all the reports and the feedback I have given is true testimony. I have never lied to the committee. If the committee feels I lied then I kindly request those lies be pointed out and I be allowed to verify those allegations

2. ALLEGED REVENUE LEAKAGES AND FRAUD - BETWEEN FEB- JUNE 2024 AND THE REMOVAL / DELETION OF DATA FROM THE SYSTEM

County Government of Kisumu Contracted Safaricom PLC to provide Integrated Revenue Management System (IRMS). The implementation process commenced on 1st November 2023. The system was rolled out and put to use from 18th Dec 2023, this was mainly the unstructured Revenue like Markets, parking, buspark etc

During this period there was a fully functional Revenue Board with all required Board Members, CEO/Director Revenue Board and Deputy Director ICT in-charge of systems (IRMS) at Revenue Board, Reconciliation and Reporting Officers, other Secretariat staff and Revenue Officers.

The parties proceeded with implementation of the structured revenue like SBP Permits, ODA, Landrates etc. in February 2024 the implementation of SBP was completed and tested, and thereafter they were put into use. The clients used the system to pay for SBP, ODA etc

Around end of June and July 2024 there was an allegation of revenue leakages and fraud, it was alleged County lost money between the months of **Feb- June 2024**. Some investigation were carried out by Revenue Board and the Executive, I believe it was done in accordance with the Law. I was also investigated and I gave feedback to the best of my knowledge.

In September 2024 Safaricom PLC was requested to remove duplicated/ repeated (unpaid invoices) for unpaid structured revenue streams. They were also told to remove the unpaid invoices for the unstructured revenue streams after 24 Hrs. This was a genuine request by revenue board because the reconciliation and auditors raised issues inaccurate data of unpaid invoices owed by clients, Safaricom needed to remove the duplicated/ repeated (unpaid invoices)



21st May 2026 Maurine Awuor Onyango

structured revenue streams and the unpaid invoices of unstructured revenue streams so that we have actual and genuine data in the system.

After Safaricom removed and archived the data, we realized they removed even correct and actual data of some unpaid invoices and some paid invoices. Safaricom PLC was then told to re-upload back the data, they then uploaded back the data of genuine and real unpaid invoices and paid invoices.

Later there was a letter sent to Safaricom PLC by County on the alleged revenue lost amounting to KSh **273 Million**. Safaricom PLC then requested for more information on the allegation of money lost amounting to KSh **273 Million**. To date this issue still pending because county was waiting for feedback from Safaricom PLC on:

1. User Logs
2. Removed/Deleted data
3. Independent investigation report.

3. ACCESS RIGHTS TO THE SYSTEM

During the implementation of the IRMS system from Dec 2023 to Dec 2024 the County staff were only granted access to the Application side/ User interface of the system. Staff had different access rights depending on their roles. Two (2) staff from Kisumu County were granted Super Admin Rights to the Application side/ User interface side of the system. We could only access the Application side/ User interface of the system from **Dec 2023 to Dec 2024.**

Safaricom PLC had not grated the rights to the Backend Environment during this period, they had suggested that they will give the Backend Environment rights after full development and Design of the system.

After the allegations of revenue leakage that's when Safaricom agreed to give access rights to the Backend Environment and database. Safaricom PLC gave a **Read Only Access rights** to the backend Environment and had to train the staff with the rights on how to navigate the Backend Environment. The training was finalized on **March 2025**. So the 4 staff with the access rights to the backend environment could only access it and navigate well after **March 2025**. The staff with **Read Only Access rights** to the backend Environment of the system are:

1. CECM Finance and ICT
2. Director ICT
3. Deputy Director ICT -Head of ICT in Revenue Board
4. One (1) ICT Officer from Revenue Board

So the above staff had both access to the Application side/ User interface of the system and **Read Only Access rights** Backend Environment so seen to be access larger part of the system.

NOTE: The **Read Only Access rights** to the backend Environment and training was finalized on **March 2025**



4. IMPLEMENTATION PHASES AND PAYMENTS

The system was implemented in phases and was to be paid in phases after verification of the invoices.

Phase one was completed and paid
Phase two was completed and paid
Phase three was not completed, some modules and integration was not implemented, have not been paid/ shouldn't be paid

There was a 4% on SAAS or commission on revenue through the system. This has been paid for only 11 months from July 2024- May 2025.

The SAAS or commission on revenue through the system for the Dec 2023-June 2024 was in dispute hence not yet paid until the allegations on revenue leakages is sorted out by both parties.

From June 2025 to date county has not paid SAAS or commission of revenue through the system because they have not been able to do reconciliation, verification to confirm the figures.

Contract between County Government of Kisumu and Safaricom PLC will expire in 3oth November 2026.



21st May 2026 Maurine Awuor Onyango