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REPUBLIC OF KENYA




Pat SNA
30/11/2021

THE NATIONAL ASSEMBLY
TWELFTH PARLIAMENT-FIFTH SESSION

SELECT COMMITTEE ON NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND

REPORT ON STALLED PROJECT OF KENYA MEDICAL TRAINING COLLEGE,
TAVETA CAMPUS

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 01 DEC 2021	DAY: Wed.
TABLED BY:	CHANDERSON, SC-NGCDF
CLERK-AT THE-TABLE:	M. WANJIKU NMM

CLERK'S CHAMBERS
DIRECTORATE OF AUDIT, APPROPRIATION AND OTHER SELECT COMMITTEES
NATIONAL ASSEMBLY
PARLIAMENT BUILDINGS
NAIROBI

NOVEMBER, 2021

Contents	
<u>ANNEXTURES</u>	2
<u>ABBREVIATIONS</u>	3
<u>EXECUTIVE SUMMARY</u>	4
<u>PREFACE</u>	6
<u>ESTABLISHMENT OF THE COMMITTEE</u>	6
<u>COMMITTEE MEMBERSHIP</u>	7
<u>COMMITTEE SECRETARIAT</u>	9
<u>INTRODUCTION</u>	10
<u>1.1 STALLED PROJECT OF KENYA MEDICAL TRAINING COLLEGE, TAVETA CAMPUS</u>	10
<u>1.2 SUBMISSIONS BY THE NG-CDF BOARD</u>	10
<u>1.3 SUBMISSION BY THE KENYA MEDICAL TRAINING COLLEGE</u>	16
<u>2.0 COMMITTEE OBSERVATIONS</u>	18
<u>3.0 COMMITTEE RECOMMENDATIONS</u>	20

ANNEXURES

Adoption List

- i. Adoption Minutes
- ii. Memorandum of Understanding between the KMTC Board and the Taveta NG-CDF Committee.
- iii. Letter from the Chief Executive Officer to the Fund Account Manager on completion of the administration/tuition block strictly using NG-CDF finances.
- iv. Analysis report of the NG-CDFC on the project's cost by various payment certificates.
- v. Interim Certificates
- vi. Proposed Construction of KMTC Taita Taveta Campus for Taveta Constituency Development Fund at Taveta Town Tender. NO.TVT/CDF/KMTC/07/2012-2013 Summary of Statement for payment on account.

ABBREVIATIONS

BQs	-	Bill of Quantities
CEO	-	Chief Executive Officer
CoK	-	Constitution of Kenya
FAM	-	Fund Manager
MP	-	Member of Parliament
NASC	-	National Assembly Select Committee
NG-CDF	-	National Government Constituency Development Fund
NGCDFC's	-	National Government Constituency Development Fund Committees
NT	-	National Treasury
PMCs	-	Project Management Committees
S.O	-	Standing Orders
KMTC	-	Kenya Medical Training College
MOU	-	Memorandum of Understanding

EXECUTIVE SUMMARY

Pursuant to Section 50 of the National Government Constituencies Development Fund (NG-CDF) Act of 2015, the Committee is mandated to oversee the policy framework and legislative matters that may arise in relation to the Fund and continually review the framework set out for the efficient delivery of development programs financed through the fund.

Considering the above, the Committee conducted an inquiry on the stalled Kenya Medical Training College (KMTC) Taveta Campus. The Taveta KMTC Campus was initiated in 2007 co-funded by the KMTC through the equalization fund and the National Government Constituencies Development Fund. The KMTC and the Taveta NG-CDFC signed a Memorandum of Understanding (MOU) on 30th May 2017 which clearly defined the role of each party.

The Estimated cost of the project was Ksh.345,892,488 out of which the KMTC was to fund up to Ksh.130 million while the NG-CDF Board was to fund the remaining Ksh.215,892,488. The NG-CDF Board has to date approved and disbursed Kshs.247,190,185 which includes Ksh.5,000,000 to construct the Principal's residential house.

The Committee held meetings on 10th and 11th December 2020 in Taveta Constituency with the NG-CDF Board, the KMTC Board and the Taveta NG-CDF Committee to determine the best way to complete and operationalize the project as well as find an amicable solution to the anomalies in the implementation of the said project. After deliberations the Committee made the following resolutions, that:

- I. The NG-CDF Board considers and approves Ksh.5,000,000 towards the construction of the principal's residence at the Campus;
- II. The NG-CDF Board releases the outstanding Ksh.9,712,002 towards completed works supported by an Interim Certificate of **Serial No.1015608** of which Ksh.4,145,005 should be paid to the Sub-contractor, **MS/ELSAN ENG.LTD while Ksh.5,566,997 should be paid to the Main Contractor MS/ DANAF KENYA CO.LTD.**
- III. The Committee to schedule another meeting with the NG-CDF Board and the KMTC Board for further deliberations and conclusions on the matter.

Consequently, the Committee on 7th July 2021 held a meeting with NG-CDF Board and KMTC Board. In the said sitting, Committee could not agree with the NG-CDF Board on the matter and it was resolved that the two entities submit a written submission for analysis for further scrutiny by the Committee. Arising from the scrutiny of the written submissions, the Committee recommended that,

- I. The National Government Constituencies Development Fund Board releases the outstanding Ksh.9,712,002 towards completed works that is supported by an Interim Certificate of **Serial No.1015608** of which Ksh.4,145,005 should be paid to the Sub-

contractor, **MS/ELSAN ENG.LTD** while Ksh.5,566,997 should be paid to the Main Contractor **MS/ DANAF KENYA CO.LTD**. The said funds should be released not later than November 2021 to enable the Contractor to complete the remaining works at the site and prevent further delays and attraction of penalties.

- II. The National Assembly Select Committee on National Government Constituencies Development Fund Board to provide policy guidelines with regards to co-funding of projects by NG-CDF by November 2021 to prevent future anomalies. The framework is to be established through a consultative forum involving the Taita Taveta Committee, the NGCDF Board and the KMTC.

1.0 PREFACE

1.1 ESTABLISHMENT OF THE COMMITTEE

01. The Select Committee on National Government Constituency Development Fund is established in accordance with the provisions of section 50 of the National Government Constituency Development Fund Act, 2015 and its functions include:

- a) To oversee the implementation of this Act and in this respect, shall after every two years submit a report to the National Assembly and where necessary, propose any amendments to this Act with respect to the quantum of funds repayable into the Fund in accordance with section 4 of the Act;
- b) To oversee the policy framework and legislative matters that may arise in relation to the Fund;
- c) To continually review the framework set out for the efficient delivery of development programmes financed through the Fund;
- d) To consider and report to the National Assembly, with recommendations, names of persons required to be approved by the National Assembly under this Act; and
- e) To carry out any other functions relevant to the work of the Fund.

1.2 COMMITTEE MEMBERSHIP

02. The Committee comprises of the following Members –

NO.	MEMBER'S NAME	POSITION	CONSTITUENCY	POLITICAL PARTY
1.	Hon. Wafula Wamunyinyi, MP	Chairperson	Kanduyi	Ford Kenya
2.	Hon. Omar Mohamed Maalim, MP	Vice-Chairperson	Mandera East Constituency	Economic Freedom Party
3.	Hon. Fred Kapondi Chesebe, MP	Member	Mt. Elgon Constituency	Jubilee Party
4.	Hon. Cornelly Serem, MP	Member	Aldai Constituency	Jubilee Party
5.	Hon. Sharif Athman Ali, MP	Member	Lamu East Constituency	Jubilee Party
6.	Hon. Onesmus Kimani Ngunjiri, MP	Member	Bahati Constituency	Jubilee Party
7.	Hon. Sophia Abdi Noor, MP	Member	Ijara Constituency	Party of Reforms and Development
8.	Hon. Moses Lessonet, MP	Member	Eldama Ravine	Jubilee Party
9.	Hon. Joseph Oyula, MP	Member	Butula Constituency	ODM Party
10.	Hon. Josphat G.Kabeabea, MP	Member	Tigania East Constituency	Jubilee Party
11.	Hon. Benjamin Gathiru Mwangi, MP	Member	Embakasi Central	Jubilee Party
12.	Hon. Ferdinard Wanyonyi, MP	Member	Kwanza Constituency	Ford Kenya
13.	Hon. George Kariuki Macharia, MP	Member	Ndia Constituency	Jubilee Party
14.	Hon. Janet Jepkemboi Sitienei, MP	Member	Turbo Constituency	Independent Member
15.	Hon. Kasim Tandaza Sawa, MP	Member	Matuga Constituency	Amani National Congress
16.	Hon. Fred Ouda, MP	Member	Kisumu Central Constituency	Orange Democratic Movement

17.	Hon Joshua Mwalyo, MP	Member	Masinga Constituency	Wiper Party
18.	Hon. Lodepe Nakara, M.P	Member	Turkana Central	ODM Party
19.	Hon. Richard Tongi, MP	Member	Nyaribari Chache	Jubilee Party

1.3 COMMITTEE SECRETARIAT

03. The following staff facilitates the Committee: -

- | | |
|---------------------------|--|
| 1) Mr. Hassan A. Arale- | -Clerk Assistant II -Lead Clerk |
| 2) Ms. Naserian Lotuai | -Clerk Assistant II |
| 3) Mr. Jonathan Lemurt | - Fiscal Analyst I |
| 4) Mr. Bonnie Mathooka | -Chief Research Officer |
| 5) Ms. Christine Odhiambo | -Legal Counsel |
| 6) Ms. John Mungai | - Audio Recording Officer |
| 7) Mr. Joshua Lenambeti | -Sergeant at Arms |

2.1 STALLED PROJECT OF KENYA MEDICAL TRAINING COLLEGE, TAVETA CAMPUS

05. The Committee was notified of the stalled project in Taveta Constituency that commenced construction in 2007, co-funded by the KMTC Board through equalization fund and the National Government Constituencies Development Fund (NG-CDF).
06. The Committee, therefore embarked on an inquiry to establish the reasons for stalling of the project and come with amicable solutions towards completion of the project.
07. On Thursday 10th and Friday 11th December 2020, the Committee held a meeting in Taveta Constituency with the KMTC Board, NG-CDF Board, and the Taveta NG-CDF Committee with a view of resolving conflicts between those entities and ensuring that the project is up and running. In the said meeting the Committee made the following resolutions:
 - a) The NG-CDF Board considers, and approve Ksh.5, 000,000 towards the construction of the Campus Principal residential house.
 - b) The NG-CDF Board releases the outstanding Ksh.9,712,002 towards completed works supported by an Interim Certificate of **Serial No.1015608** of which Ksh.4,145,005 should be paid to the Sub-contractor, **MS/ELSAN ENG.LTD while Ksh.5,566,997 should be paid to the Main Contractor MS/ DANAF KENYA CO.LTD.**
 - c) The Committee to hold other meetings with the NG-CDF Board and KMTC Board for further deliberations.
08. In a sitting held on Wednesday 7th July 2021 with the NG-CDF Board and KMTC, the Committee could not provide proper guidance due disagreements of works that each party was to undertake, after lengthy discussions and engagement it was resolved that two the two entities provide written submissions on the matter, for purposes of further scrutiny and consideration and preparation of a report for tabling.

2.2 SUBMISSIONS BY THE NG-CDF BOARD

09. The Kenya Medical Training College (KMTC), Taveta Campus was initiated in the year 2007 but actual implementation began in 2011/12 Financial Year.
10. The project is jointly financed by the National Government Constituencies Development Fund (NG-CDF) and the KMTC Board through a grant from the Equalizations Fund. At the early stages of the project, the Taveta NG-CDF Committee had submitted a letter from the County government of Taita-Taveta committing to contribute Ksh. 50 million towards the project. However, the amount is yet to be released.

Phase I

11. Phase I of the project comprising two hostels, a Kitchen & dining hall, administration/Tuition block was estimated to cost Ksh.345,892,488 million out of which Ksh.215,892,488 was to be funded by NG-CDF and Ksh.130,000,000 by the KMTC Board. This was as per a Memorandum of Understanding signed by the Taveta NG-CDF Committee and the KMTC Board (*Annex i*)

Project approval and funding

12. To date, the NG-CDF Board has approved project components amounting to **Kshs.242,190,184** submitted by the Taveta NG-CDF Committee towards phase one of the project. In 2019/20 and 2020/2021 Financial Years, the NG-CDFC proposed an additional allocation of **Kshs.60,000,000** (30,000,000 each year) which is yet to be approved by the Board. A Further Ksh.5,000,000/= was allocated for staff house, which was not a component of the first phase, hence categorised as phase 2,

13. In total therefore, the Board has approved a total of Ksh. **247,190,184** towards Taveta KMTC campus.

14. The Breakdown of NG-CDF funding to Taveta KMTC is summarized below:

No.	Financial Year	Project Proposal amount (Ksh.)	Amount approved by NG-CDF Board (Ksh.)	Approved project Components (activities)
1.	2007/08	2,000,000	2,000,000	Construction of fence and bush clearing, purchase of building blocks
2.	2008/09	1,000,000	1,000,000	Bush clearing and fencing
3.	2011/12	8,000,000	8,000,000	Construction of lecturer halls
4.	2011/12 (Conditional Grant)	8,000,000	8,000,000	Construction of lecturer halls
5.	2012/13	23,190,184	23,190,184	Construction of lecturer halls and administration block
6.	2012/13 (Reallocation)	24,000,000	24,000,000	Completion of administration block
7.	2013/14	20,000,000	20,000,000	Construction of KMTC Campus (Administration Block) to improve access to medical courses training opportunities and quality health care.
8.	2014/15	34,000,000	34,000,000	Construction of Kenya Medical Training College (KMTC) Campus (Administration Block)
9.	2015/16	36,000,000	36,000,000	Construction of administration block, lecture halls and computer lab
10.	2016/17	30,000,000	30,000,000	Construction of administration block, lecture halls and computer lab

		Proposal amount (Ksh.)	approved by NG-CDF Board (Ksh.)	Components (activities)
11.	2017/18	28,000,000	28,000,000	Completion of the administration block, tuition block and computer block
12.	2018/19	28,000,000	28,000,000	Completion of the administration block, Laboratory & tuition block (fixing doors & windows, ceilings, painting and plumbing works and electrification)
13.	<i>2019/20</i>	<i>35,000,000</i>	<i>5,000,000</i>	<i>Construction of 3-bed room self-contained principal's residence (Phase 2).</i>
14.	<i>2020/21</i>	<i>30,000,000</i>	<i>0</i>	
	Total	307,190,184	247,190,184	

Project Monitoring

15. During a routine monitoring programme undertaken in 2013, the Board observed that:

- a. The Project Management Committee (PMC) had laid foundations for two hostels, Kitchen & dining hall and an Administration/Tuition block. The Board was informed that the estimated cost of the entire project was Kshs.350 million.
- b. Noting the magnitude of the project and taking into consideration that the Taveta NG-CDF Committee had opted to allocate funds to the project in annual tranches, the Board observed that it is likely to take a significantly long time before the entire project is completed and put to full use. Therefore, to realize quicker benefits hence value for money, the Board advised the NG-CDF Committee to focus on first completing the administration/tuition block to the level where it can be put to use before embarking on completion of the other units.
- c. In the 2017/18 Financial Year, the Taveta NG-CDFC proposed an allocation of Kshs.28 million towards the completion of the Ladies' hostel. The proposed activities/components were stated as walling, roofing, plastering and flooring. As a follow-up to its earlier recommendation to the Committee, the Board decided to send a monitoring team to Taveta to ascertain the status of completion of the Tuition/Administration block.

16. The Board visit that was undertaken on 25th May 2018 established that the progress on completion of the Tuition/Administration block was good, as the building was at an advanced level of completion. The Board was further informed that the outstanding works in the Tuition/administration block had been earmarked to be completed by the KMTC Board through the equalization Fund.

17. The NG-CDF Board noted that proceeding in that direction would result in a breach of Section 49 of the NG-CDF Act which guides counterpart financing. It states that:

“For the purpose of this Act, the Board may consider part-funding of a project financed from sources other than the Fund so long as the other financiers or donors have no objection, and provided that the partial funding for the project availed pursuant to this Act shall go to a defined unit or any part thereof or phase of the project to ensure that the particular portion defined in the allocation is completed with the Funds allocated under this Act”

18. The Board, therefore, advised the NG-CDF Committee through a letter Ref: NGCDF BOARD/TAVETA/VOL.1 (57) dated August 24, 2018 (*Annex ii*) to complete the Administration/Tuition block using NG-CDF finances, and advise KMTC Board to utilize funds availed through the equalization Fund to undertake the other components, especially the ongoing works in one of the hostels which the Board was informed that were being undertaken through the equalization Fund.

19. In compliance with the above recommendation, the Fund Account Manager submitted a report from the Sub County Works Officer detailing how the Kshs.28 million earlier proposed for completion of the Ladies’ hostel would be utilized in completing the remaining works in the Tuition/Administration block which were valued at Kshs.53, 323,027.

Challenges noted in the implementation of the project

20. During a follow-up monitoring visit conducted in January 2020, the NG-CDF Board noted some challenges in the implementation of the project, specifically regarding adherence to various legal requirements as highlighted here below: -

(a) Non -adherence to the provisions of Section 49 of the Act

The NG-CDF Committee had not complied with the Board’s advice as communicated in its letter Ref: NGCDF BOARD/TAVETA/VOL.1 (57) of August 24, 2018. Instead, the Administration/Tuition Block was completed with finances from the Equalization Fund, hence violating the provisions of Section 49 of the NG-CDF Act. This also meant that it will not be easy to isolate the separate component funded by each financier, complicating the accountability of funds.

(b) The PMC had engaged a consultant to supervise the project and already up to Kshs.50, 222.203.46 had been paid from funds allocated under NG-CDF. This brought about three key challenges:

- i. The consultancy cost was not part of the project components approved by the Board as specified in the official code list hence such expenditures amounted to reallocation of funds without the approval of the Board.

The decision by the NG-CDF Committee did not take cognizance of the provision of Section 6(2) of the NG-CDF Act states that:

“Once funds are allocated for a particular project, they shall remain allocated for that project and may only be reallocated for any other purpose during the financial year with the approval of the Board.”

- ii. Further, Section 36 of the NG-CDF Act provides that:

“Projects under this Act shall be implemented by the Project Management Committee appointed in accordance with the regulations made under section 57, with the assistance of the relevant department of Government and all payments through cheques or otherwise shall be processed and effected in accordance with government regulations for the time being in force”

This provision precludes the option of engaging a consultant to supervise the works.

Actions taken so far to resolve the challenges

21. Having noted the above challenges, the Board took the following key actions:

- a) Deferred approval of project proposals submitted by the NG-CDF Committee with respect to phase one of the Taveta KMTC projects pending resolution of the identified issues.
- b) Directed that the Taveta NG-CDF Committee to review all the payment certificates for phase one of the project and to isolate those that were charged to finances provided by NG-CDF and those that were charged to Equalization Fund. The report should also clearly state the project components financed through each payment certificate. The objective of this was to clearly define and separate the expenditures from the two funding agencies and to facilitate better accountability of the funds as envisaged in Section 49 of the NG-CDF Act.

- c) Held a consultative meeting with National Assembly Select Committee on NG-CDF, the KMTC Board and the Taveta NG-CDF Committee with a view to discussing the way forward. During the meeting, it was agreed that the KMTC Board considers transferring the expenditures on consultancy fee to be part of its components since the equalization fund is not bound by the provisions of Section 36 of the NG-CDF Act.
- d) The NG-CDF Board deliberated on and approved the project proposal on construction of a residential house for the Principal of the KMTC Taveta Campus amounting to Kshs.5, 000,000 submitted by the NG-CDFC in 2019/2020 Financial Year upon submission of all the required documentation since it falls under the 2nd phase hence not directly affected by the issues emanating from the 1st phase.
- e) Taking cognizance of the information that the project proposal submitted for 2019/20 financial year included works amounting to Kshs.9, 712,002.90 with respect to components already implemented and payment certificates prepared, the Board shall review the project proposal with a view to taking appropriate action once all the outstanding clarifications have been provided.

Board Proposed way forward

22. Noting that key requirements of the law were not adhered to in the implementation of the Taveta Campus of the KMTC leading to delay in the approval of further funding to the project, and considering that already Kshs.329,472,444 million has been invested into the facility, the Board recommends as follows:
- a) An independent assessment by a relevant government agency is to be done to document the outstanding works under phase one and provide a cost estimate for completing the works.
 - b) Taveta NG-CDFC to submit a conclusive report covering all payment certificates with respect to the entire Kshs.329,472,444 already spent in phase one of the project including clear specification of the aspects/activities for each certificate as per the Bill of Quantities.
 - c) Taveta NG-CDF Committee prioritizes the completion of phase one of the project before focusing on subsequent phases.
 - d) All outstanding project components once approved be implemented strictly in conformity with the law. Specifically, implementation of projects must be done in compliance with Section 25 (2), 36 and 49 of the NG-CDF Act.

2.3 SUBMISSION BY THE KENYA MEDICAL TRAINING COLLEGE

23. Kenya Medical Training College (KMTC) and National Government Development Fund (NG- CDF) Taveta, entered into an MOU on 30th May 2017. The said MOU between the parties related to the co-financing of an existing contract number TV/CDF/KMTC/07/2012 - 2013 signed between Danaff Kenya Company Limited and NG-CDF - Taveta constituency for the construction of KMTC Taita Taveta Campus at Taveta town at a cost of Kenya shillings three hundred and forty-five million, eight hundred and ninety-two thousand, four hundred and eighty-eight only: - (Kshs. 345,892,488.00).
24. Out of this sum, KMTC's contribution through the equalization fund was limited to Kenya shillings one hundred and Thirty Million only: - (Kshs. 130,000,000) only. The scope of work to be undertaken under the co-financing agreement by KMTC was specified as follows:
- i) Completion of the tuition and administration building
 - ii) Completion of the gent's hostels
 - iii) Completion of the kitchen and dining hall
 - iv) Some external works to allow for functionality of the facility

Status of Works

25. Tuition and Administration Block.
- (a) Construction of the building up to 2nd-floor level and roof cover had been completed by NG/CDF
 - (b) KMTC did the finishes; Electrical works, plumbing works, painting and other fittings.
 - (c) All substructure works were completed by NG/CDF
26. Gents hostels, kitchen and dining.
- (a) Foundation excavation was done by NG/CDF
 - (b) KMTC completed the foundation, walling, roofing and all the finishes in Gents hostel including kitchen and dining

External Works

27. Not all the external works had been done by NG/CDF and were to be done by KMTC. These include-
- (a) Gatehouse
 - (b) Parking area
 - (c) Gutters
 - (d) Septic tanks and drainage system

Implementation of the Project under KMTC

29. The implementation of the KMTC scope commenced on 25th July 2017 and was to be completed within 40 weeks. The works commenced well and KMTC paid the contractor a total of Ksh. 71,225,082.55 comprising 55% of the contract sum. The contractor then stalled the project saying that the NG-CDF owes him an unpaid certificate and with all the efforts made he declined to move back to the site until he is paid.
30. KMTC had paid all the certificates and none is outstanding.
31. The management agreed with the contractor to hand over the project partially to allow students to occupy some spaces and learning to continue. This was done. This standoff was discussed in a parliamentary committee meeting held on 10th December 2020 attended by KMTC Board of Directors and NG-CDF BOARD. It was resolved that the works to resume soon after the contractor is paid the outstanding certificate by the NG-CDF. The contractor still has not moved back to site due to the outstanding payment.

3.0 COMMITTEE OBSERVATIONS

32. Having considered the submissions made and meetings held by the Committee on the said matter, the Committee made the following observations, that:

1. The total cost of constructing the Taveta Medical College is Ksh.345, 892,488 of which the NG-CDF Board released Ksh.215, 892,488 while KMTC availed Ksh.130, 000,000 towards the construction of Administration block, two Hostels, Kitchen and a Dining Hall.
2. Ksh.5 million towards the construction of Principals House has been approved and disbursed by the NG-CDF Board to the Taveta NG-CDFC and tender awarded to the contractor.
3. KMTC Taveta Campus project was procured purely as an NG-CDF Project. The decision of including an equalization fund through KMTC was adopted five years later after the commencement of the project. This was through a request by the Member of Parliament, Hon. Dr. Naomi Shaban. M.P.
4. The Consultants were procured in 2012 with the advice of the Ministry of Public Works and who provided a list of the pre-qualified Consultants since the project was beyond the limit of the County Public Works official. (See annex IV)
5. The Contractor and the Sub-contractor have so far been paid Ksh.239, 190,184 by the NG-CDF Board which includes Ksh.50, 222,203.46 to the consultant.
6. There are no Audit queries so far in the implementation of the project.
7. The NG-CDF Board was aware of the staggered payments made to the consultants and several meetings were held in that regard yet they did not object before.
8. The current NG-CDF Board has had one meeting in June 2020 with the consultants in the presence of the KMTC Board where the NG-CDF Board queried payments to the Consultants and brought up the issue of variations.
9. The Chair of the Taveta Oversight Committee attended the June 2020 meeting in County Hall Boardroom together with the Fund Manager and clarified that no variation has been paid out to the contractors.
10. The Consultant made it clear that variations will be a subject of discussion at the tail end of the project. Even at the point of discussion the collated figure of variation herein is of Ksh. 17,463,375 which is equivalent to 5.048% far much less than 20% which is within the allowed percentage of variation as per the Public Procurement Act.

11. On several occasions, the Chief Executive Officer (CEO) of the NG-CDF Board and some Board of Directors held meetings with the lead consultant, Quantity Surveyors and Taveta NG-CDFC to iron out issues at hand.
12. The local public works officer confirmed in a meeting that he had no adequate personnel to supervise a project of this magnitude.
13. The NG-CDF Board has so far approved and released Ksh.242,190,184 towards phase 1 and inclusive Ksh.5,000,000 for construction of the Principal's House thus the total amount of Ksh.247,190,184 while Ksh.71,225,082 has been released by the KMTC to works indicated in the MOU (See Annex II).
14. The NG-CDF Board advised the Taveta NG-CDFC through a letter dated 24th August 2018 to complete the Administration Block using the NG-CDF and request the KMTC to avail funds from the equalization to complete the remaining ongoing works.
15. The Taveta PMC had engaged a consultant who was paid Ksh.50 million from the NG-CDF, which was not part of the request made by the Taveta NG-CDFC to the NG-CDF Board.
16. The consultant is an employee of the Ministry of Public Works and it is in law to procure a consultant to guide the implementation of a project of that Magnitude.
17. There was a Memorandum of Understanding between the KMTC and Taveta NG-CDF which was entered into on 30th May 2017 that provided clear roles of both parties. See Annex II.
18. Ksh.9,000,000 is yet to be paid to the Contractor hence the incompleteness of the project in contradiction of a directive by the National Assembly Select Committee on National Government constituencies Development Fund in a meeting held on 10th December 2020.

4.0 COMMITTEE RECOMMENDATIONS

33. Arising from the Observations the Committee made the following Recommendations.

THAT:

- 1. The National Government Constituencies Development Fund Board releases the outstanding Ksh. 9, 712, 002 towards completed works that is supported by an Interim Certificate of Serial No. 1015608 of which Ksh. 4, 145, 005 should be paid to the Sub-contractor, MS/ELSAN ENG.LTD while Ksh. 5, 566, 997 should be paid to the Main Contractor MS/ DANAF KENYA CO.LTD. The said funds should be released no later than November 2021 to enable the Contractor to complete the remaining works at the site and prevent further delays and attraction of penalties.**
- 2. The National Assembly Select Committee on National Government Constituencies Development Fund Board to provide clear policy guidelines by November 2021 with regards to co-funding of projects to be developed for use, to ensure such anomalies do not occur in the future.**

DATE.....*30/11/21*.....SIGN..........

HON. WAFULA WAMUNYINYI, MP

**CHAIRMAN SELECT COMMITTEE ON NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND**

MINUTES OF THE 61ST SITTING OF THE SELECT COMMITTEE ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND HELD ON 23RD SEPTEMBER 2021 IN COMMITTEE ROOM SECOND FLOOR CONTINENTAL HOUSE AT 12 NOON

MEMBERS PRESENT

1. Hon. Wafula Wamunyinyi, MP -**Chairperson**
2. Hon. Omar Maalim, MP – **Vice Chairperson**
3. Hon. Fred Kapondi Chesebe, MP
4. Hon. Moses K. Lessonet, MP
5. Hon. Sophia Abdi Noor, MP
6. Hon. Ferdinand Wanyonyi, MP
7. Hon. Cornelly Serem, MP
8. Hon. Onesmus Kimani Ngunjiri, MP
9. Hon. Benjamin Gathiru Mwangi, MP
10. Hon. Joshua Mwalyo, MP
11. Hon. George Kariuki Macharia, MP
12. Hon. Josphat Gichunge Kabeabea, MP
13. Hon. Richard Tongi, MP
14. Hon. Joseph Oyula, MP

ABSENT WITH APOLOGIES

1. Hon. John Lodepe Nakara, MP
2. Hon. Sharif Athman, MP
3. Hon. Fred Ouda, MP
4. Hon. Kasim Tandaza Sawa, MP
5. Hon. Janet Jepkemboi Sitienei, MP

SECRETARIAT

1. Mr. Hassan A. Arale - Clerk Assistant II
2. Ms. Angeline Naserian - Clerk Assistant II
3. Mr. John Mungai - Audio Officer
4. Mr. Joshua Lenambeti - Serjeant At Arms

MINISTRY OF TREASURY AND NATIONAL PLANNING OFFICIALS

1. Mr. Saitoti Torome- Principal Secretary for Planning
2. Mr. Yusuf Mbuno- NGCDF CEO
3. Mr. Joseph Mukui – SDP EPA
4. Mr. Peterson Njenga- SDP P.E

AGENDA

1. Preliminaries
2. Confirmation of 60th Minutes
3. **Meeting with the Cabinet Secretary Regarding the recruitment of 110 staff to the NG-CDF Board.**
4. **Consideration of the Report on Stalled Project of Kenya Medical Training College Taveta Campus.**
5. Adjournment.

MIN. NA/DCS/NG-CDF /2021/221: PRELIMINARIES

The Chairperson called the meeting to order at 12.34 pm and said the prayers.

MIN. NA/DCS/NG-CDF /2021/222: CONFIRMATION OF MINUTES

The minutes of the 60th Sitting was confirmed as true records of the deliberations after it was proposed by the Hon. Omar Maalim, MP and seconded by the Hon. Joshua Mwalyo, MP.

MIN. NA/DCS/NG-CDF /2021/223: MEETING WITH THE CABINET SECRETARY FOR TREASURY AND NATIONAL PLANNING ON RECRUITMENT OF 110 STAFF TO THE NG-CDF BOARD

The Committee in a letter dated 15th September 2021, invited the Cabinet Secretary of the National Treasury to apprise the Committee on status of recruitment of 110 personnel to the NG-CDF Board on an allocation of Ksh.180 million towards the recruitment.

The Committee noted with concern that the Cabinet Secretary failed to honor four consecutive invite for meetings to deliberate on recruitment of (one hundred and ten) 110 personnel to NGCDF Board. He was represented by Principal Secretary of the State Department of Planning who was asked to leave.

The Chairperson further told the meeting that the Cabinet Secretary was invited to a meeting by the Committee to answer to issues of recruitment on the following dates and in which all of the said dates he absconded:

1. 1st December 2020
2. 8th July 2021
3. 13th July 2021
4. 15th September 2021

The Chairperson informed the meeting pursuant to Article 125 of the Constitution on Power to call for evidence, that the Committees of the House has power to summon any person to appear before it for the purpose of giving evidence or providing information. Further the Standing Orders of the National Assembly emphasizes on the same in Section 191 (Powers and Privileges of Committees)

Committee Resolution

The following was resolved by the Committee:

1. The meeting will not proceed due to absence of the Cabinet secretary of the National Treasury.
2. Responses on recruitment of the said staff should be submitted before 30th September 2021.
3. The Report provide and signed by the Cabinet Secretary does not provide proper information on the said matter. It also does not include dates and references of letters mentioned in it.
4. That summon be issued to the Cabinet Secretary of the National Treasury and Planning.

MIN. NA/DCS/NG-CDF /2021/224: ADOPTION OF THE REPORT ON STALLED PROJECT OF KENYA MEDICAL TRAINING COLLEGE TAVETA CAMPUS

The Report on stalled project of Kenya Medical College Taveta Campus was adopted as the true reflection of the Committee deliberation having been proposed by the Hon. Ferdinand Wanyonyi, MP and seconded by the Hon. Joshua Mwalyo, MP.

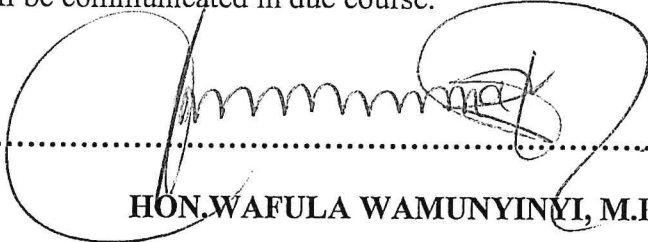
MIN.NA/DCS/NG-CDF/2021/225:AOB

The Committee was informed that the inspection visits to Kilifi South, Kanduyi, Webuye East, Mumias West and Rabai Constituencies will be undertaken from 30th September to 4th October 2021.

MIN.NA/DCS/NG-CDF/2021/226:ADJOURNMENT

There being no any other business the meeting was adjourned, the dates and time for the next meeting shall be communicated in due course.

Signature



HON.WAFULA WAMUNYINYI, M.P.

(CHAIRPERSON)

Date.....

7/10/21



TWELFTH PARLIAMENT –FIFTH SESSION – 2021

THE NATIONAL ASSEMBLY

SELECT COMMITTEE ON NG-CDF

ADOPTION LIST

REPORT: *Stalled project of Taveta Km-te CampUS*

DATE: *23rd September, 2021* VENUE: *2th floor Continental house*

	NAME	Signature
1.	Hon. Wafula Wamunyinyi, M.P. Chairperson	
2.	Hon. Omar Mohamed Maalim Hassan, M.P. –Vice Chairperson	
3.	Hon. Fred Kapondi Chesebe, M.P.	
4.	Hon. Moses Lessonet, M.P.	
5.	Hon. Richard Nyagaka Tongi, M.P.	
6.	Hon. Sharif Athman Ali, M.P.	
7.	Hon. Sophia Abdi Noor, M.P.	
8.	Hon. Ferdinand Wanyonyi, M.P.	
9.	Hon. John Lodepe Nakara, M.P.	
10.	Hon. Cornelly Serem, MP	
11.	Hon. Onesmas Kimani Ngunjiri, MP	
12.	Hon. Benjamin Gathiru Mwangi, M.P.	
13.	Hon. Janet Jepkemboi Sitienei, M.P.	
14.	Hon. Fred Ouda, M.P.	
15.	Hon. Joshua Mwalyo, M.P.	
16.	Hon. Kassim Sawa Tandaza, M.P.	
17.	Hon. George Kariuki Macharia, M.P.	
18.	Hon. Josphat Gichunge Mwirabua Kabeabea, M.P.	
19.	Hon. Joseph Oyula, M.P.	



**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND
BOARD**

**REPORT ON THE KENYA MEDICAL TRAINING COLLEGE,
TAVETA CAMPUS**

2ND AUGUST 2021

1. Introduction

The Kenya Medical Training College (KMTC), Taveta Campus was initiated in the year 2007 but actual implementation began in 2011/12 Financial Year.

The project is jointly financed by the National Government Constituencies Development Fund (NG-CDF) and the KMTC Board through a grant from the Equalisation Fund. At the early stages of the project, the Taveta NG-CDF Committee had submitted a letter from the County government of Taita-Taveta committing to contribute Ksh. 50 million towards the project. However, the amount is yet to be released.

2. Phase I

Phase I of the project comprising two hostels, a Kitchen & dining hall, administration/Tuition block was estimated to cost Ksh.345,892,488 million out of which Ksh.215,892,488 was to be funded by NG-CDF and Ksh.130,000,000 by the KMTC Board. This was as per a Memorandum of Understanding signed by the Taveta NG-CDF Committee and the KMTC Board (*Annex i*)

3. Project approval and funding

To date, the NG-CDF Board has approved project components amounting to **Kshs.242,190,184** submitted by the Taveta NG-CDF Committee towards phase one of the project. In 2019/20 and 2020/2021 Financial Years, the NG-CDFC proposed additional allocation of **Kshs.60,000,000** (30,000,000 each year) which is yet to be approved by the Board. A Further Ksh. 5,000,000/= was allocated for staff house, which was not a component of the first phase, hence categorised as phase 2,

In total therefore, the Board has approved a total of Ksh. **247,190,184** towards Taveta KMTC campus.

The Breakdown of NG-CDF funding to Taveta KMTC is summarised below:

No.	Financial Year	Project Proposal amount (Ksh.)	Amount approved by NG-CDF Board (Ksh.)	Approved project Components (activities)
1.	2007/08	2,000,000	2,000,000	Construction of fence and bush clearing, purchase of building blocks
2.	2008/09	1,000,000	1,000,000	Bush clearing and fencing
3.	2011/12	8,000,000	8,000,000	Construction of lecturer halls
4.	2011/12 (Conditional Grant)	8,000,000	8,000,000	Construction of lecturer halls
5.	2012/13	23,190,184	23,190,184	Construction of lecturer halls and administration block
6.	2012/13 (Reallocation)	24,000,000	24,000,000	Completion of administration block
7.	2013/14	20,000,000	20,000,000	Construction of KMTC Campus (Administration Block) to improve access to medical courses training opportunities and quality health care.
8.	2014/15	34,000,000	34,000,000	Construction of Kenya Medical Training College (KMTC) Campus (Administration Block)
9.	2015/16	36,000,000	36,000,000	Construction of administration block, lecture halls and computer lab
10.	2016/17	30,000,000	30,000,000	Construction of administration block, lecture halls and computer lab
11.	2017/18	28,000,000	28,000,000	Completion of administration block, tuition block and computer block
12.	2018/19	28,000,000	28,000,000	Completion of administration block, Laboratory & tuition block (fixing doors & windows,

No.	Financial Year	Project Proposal amount (Ksh.)	Amount approved by NG-CDF Board (Ksh.)	Approved project Components (activities)
				ceilings, painting and plumbing works and electrification)
13.	2019/20	35,000,000	5,000,000	Construction of 3 bed room self-contained principal's residence (Phase 2).
14.	2020/21	30,000,000	0	
	Total	307,190,184	247,190,184	

4. Project Monitoring

During a routine monitoring programme undertaken in 2013, the Board observed that:

- a. the Project Management Committee (PMC) had laid foundations for two hostels, Kitchen & dining hall and an Administration/Tuition block. The Board was informed that the estimated cost of the entire project was Kshs.350 million.
- b. Noting the magnitude of the project and taking into consideration that the Taveta NG-CDF Committee had opted to allocate funds to the project in annual tranches, the Board observed that it is likely to take significantly long time before the entire project is completed and put to full use. Therefore, in order to realise quicker benefits hence value for money, the Board advised the NG-CDF Committee to focus on first completing the administration/tuition block to the level where it can be put to use before embarking on completion of the other units.
- c. In 2017/18 Financial Year, the Taveta NG-CDFC proposed an allocation of Kshs.28 million towards completion of the Ladies' hostel. The proposed activities/components were stated as walling, roofing, plastering and flooring. As a follow up to its earlier recommendation to the Committee, the Board

decided to send a monitoring team to Taveta to ascertain the status of completion of the Tuition/Administration block.

The Board visit that was undertaken on 25th May, 2018 established that the progress on completion of the Tuition/Administration block was good, as the building was at an advanced level of completion. The Board was further informed that the outstanding works in the Tuition/administration block had been earmarked to be completed by the KMTC Board through the equalisation Fund.

The NG-CDF Board noted that proceeding in that direction would result in breach of Section 49 of the NG-CDF Act which provides guidance on counterpart financing. It states that:

“For the purpose of this Act, the Board may consider part funding of a project financed from sources other than the Fund so long as the other financiers or donors have no objection, and provided that the part funding for the project availed pursuant to this Act shall go to a defined unit or any part thereof or phase of the project in order to ensure that the particular portion defined in the allocation is completed with the Funds allocated under this Act”

The Board therefore advised the NG-CDF Committee through a letter Ref: NGCDF BOARD/TAVETA/VOL.1 (57) dated August 24, 2018 (*Annex ii*) to complete the Administration/Tuition block using NG-CDF finances, and advise KMTC Board to utilise funds availed through the equalization Fund to undertake the other components, especially the ongoing works in one of the hostels which the Board was informed that were being undertaken through the equalization Fund.

In compliance to the above recommendation, the Fund Account Manager submitted a report from the Sub County Works Officer detailing how the Kshs.28

million earlier proposed for completion of the Ladies' hostel would be utilised in completing the remaining works in the Tuition/Administration block which were valued at Kshs.53,323,027.

5. Challenges noted in the implementation of the project

During a follow up monitoring visit conducted in January 2020, the NG-CDF Board noted some challenges in the implementation of the project, specifically with regard to adherence to various legal requirements as highlighted here below: -

(a) Non adherence to the Provisions of Section 49 of the Act

The NG-CDF Committee had not complied with the Board's advice as communicated in its letter Ref: NGCDF BOARD/TAVETA/VOL.1 (57) of August 24, 2018. Instead, the Administration/Tuition Block was completed with finances from the equalisation Fund, hence violating the provisions of Section 49 of the NG-CDF Act. This also meant that it will not be easy to isolate the separate component funded by each financier, complicating accountability of funds.

(b) The PMC had engaged a consultant to supervise the project and already up to Kshs.50,222.203.46 had been paid from funds allocated under NG-CDF. This brought about three key challenges:

- i. The consultancy cost was not part of the project components approved by the Board as specified in the official code list hence such expenditures amounted to reallocation of funds without approval of the Board.

The decision by the NG-CDF Committee did not take cognizance of the provision of Section 6(2) of the NG-CDF Act states that:

“Once funds are allocated for a particular project, they shall remain allocated for that project and may only be reallocated for any other purpose during the financial year with the approval of the Board.”

- ii. Further, Section 36 of the NG-CDF Act that provides that:

“Projects under this Act shall be implemented by the Project Management Committee appointed in accordance with the regulations made under section 57, with the assistance of the relevant department of Government and all payments through cheques or otherwise shall be processed and effected in accordance with government regulations for the time being in force”

This provision precludes the option of engaging a consultant to supervise the works.

6. Actions taken so far to resolve the challenges

Having noted the above challenges, the Board took the following key actions:

- a) Deferred approval of project proposals submitted by the NG-CDF Committee with respect to phase one of the Taveta KMTC project pending resolution of the identified issues.
- b) Directed the Taveta NG-CDF Committee to review all the payment certificates on phase one of the project with a view to isolating those that were charged to finances provided by NG-CDF and those that were charged to Equalization Fund. The report should also clearly state the project components financed through each payment certificate. The objective of this was to clearly define and separate the expenditures from the two funding agencies to facilitate better accountability of the funds as envisaged in Section 49 of the NG-CDF Act in view of the realization that the project was implemented without assigning distinct component/phases for the NG-CDF and the KMTC Board/Equalization Fund.

Though this was done, the Board noted that:

- i. The report did not provide the specific activities in each payment certificate.
 - ii. The report captured payment certificates amounting to Kshs.224,241,357.8 which was not exhaustive enough to elaborate on all the funds allocated to the project. (*Annex iii*)
- c) Held a consultative meeting with National Assembly Select Committee on NG-CDF, the KMTC Board and the Taveta NG-CDF Committee with a view to discussing the way forward. During the meeting, it was agreed that the KMTC Board considers transferring the expenditures on consultancy fee to be part of its components since the equalization fund is not bound by the provisions of Section 36 of the NG-CDF Act.
- d) The NG-CDF Board deliberated on and approved the project proposal on construction of a residential house for the Principal of the KMTC Taveta Campus amounting to Kshs.5,000,000 submitted by the NG-CDFC in 2019/2020 Financial Year upon submission of all the required documentation since it falls under the 2nd phase hence not directly affected by the issues emanating from the 1st phase.
- e) Taking cognizance of the information that the project proposal submitted for 2019/20 financial year included works amounting to Kshs.9,712,002.90 with respect to components already implemented and payment certificates prepared, the Board shall review the project proposal with a view to taking appropriate action once all the outstanding clarifications have been provided.

7. Board Proposed way forward

Noting that key requirements of the law were not adhered to in the implementation of the Taveta Campus of the KMTC leading to delay in approval of further funding to the project, and considering that already Kshs.329,472,444 million has already been invested into the facility, the Board recommends as follows:

- a) An independent assessment by a relevant government agency be done to document the outstanding works under phase one and provide a cost estimate for completing the works.
- b) Taveta NG-CDFC to submit conclusive report covering all payment certificates with respect to the entire Kshs.329,472,444 already spent in phase one of the project including clear specification of the aspects/activities for each certificate as per the Bill of Quantities.
- c) Taveta NG-CDF Committee prioritizes completion of phase one of the project before focusing on subsequent phases.
- d) All outstanding project components once approved be implemented strictly in conformity with the law. Specifically, implementation of projects must be done in compliance with Section 25 (2), 36 and 49 of the NG-CDF Act.



YUSUF MBUNO
CHIEF EXECUTIVE OFFICER

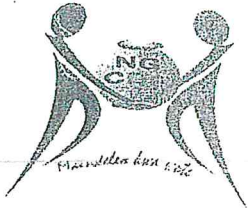
Annexes

Annex i: Memorandum of Understanding between the KMTC Board and the Taveta NG-CDF Committee.

Annex ii: Letter from the Chief Executive Officer to the Fund Account Manager on completion of the administration/tuition block strictly using NG-CDF finances.

Annex iii: Analysis report of the NG-CDFC on the projects cost by various payment certificates.

ANNEX 1



NG-CDF



MEMORANDUM OF UNDERSTANDING

BETWEEN

KENYA MEDICAL TRAINING COLLEGE (KMTc)

AND

NATIONAL GOVERNMENT- CONSTITUENCY DEVELOPMENT FUND TAVETA

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) is signed between Kenya Medical Training College of Post Office Box Number 30195 00100, Nairobi in the Republic of Kenya, (hereinafter called "KMTC") which expression shall where the context admits include its successors and assigns of the one part. KMTC is a body corporate established under the Kenya Medical Training College Act Chapter 261 of the Laws of Kenya;

AND

National Government-Constituency Development Fund (NG-CDF) Taveta of Post Office Box Number 243 80302, Taveta in the Republic of Kenya, (hereinafter called "NG-CDF Taveta"). The NG-CDF Fund was established under an Act of Parliament, CDF Act 2003. The Act was later repealed by the CDF Act 2015 amended 2016.

KMTC and NG-CDF Taveta shall hereinafter be jointly referred to as "the Parties" and "Party" shall refer to either one of them as the context may require.

PREAMBLE

The parties are desirous of establishing a KMTC campus known as Taveta within Taveta Constituency. NG-CDF Taveta has initiated a construction project at a cost of Kenya Shillings three Hundred and Forty Five Million, Eight Hundred and Ninety Two Thousand, Four Hundred and Eighty Eight (Kshs.345,892,488.00) only in which KMTC has agreed to co - finance up to a tune of Kshs.130 million.

WHEREAS:

- a) The core mandate of KMTC is to provide college education and training of competent health professionals;



- b) KMTC is empowered to acquire, develop and maintain facilities to avail training opportunities throughout the country either directly or in collaboration with other institutions
- c) NG-CDF Taveta is an entity and a body corporate exercising Constitutional Authority with powers to enter into contracts, and delegate any of its functions to its officer within the Constituency;
- d) NG-CDF is charged with enhancing infrastructural and socio-economic development at the grass root level in order to reduce poverty by dedicating a minimum of two and half per cent (2.5%) of all National Government's share of annual revenue towards community projects identified at constituency level by the communities;
- e) The parties in execution of their respective mandates desire to establish a working relationship/collaboration to complete the construction of KMTC Taveta campus for training of health professionals.

AND WHEREAS the Parties are guided by the social and economic interests of the Republic of Kenya,

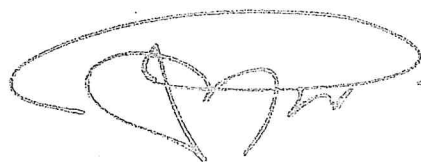
NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS

In this agreement, the following terms will have the following meanings, applicable both to the singular and plural forms of the terms described:-

"Project" means completion of measured works as per the defined scope under clause 5 as follows:

- (i) Construction of Tuition and Administration building;
- (ii) Completion of the Gents Hostels;
- (iii) Completion of Kitchen & Dining Hall;
- (iv) Some External works to allow for the operations of the facility.



- a) The clause headings in this MOU have been inserted for convenience only and shall not be taken into account in its interpretation
- b) This MOU or any part thereof shall be interpreted and construed in a manner that gives effect to the parties' intentions as stipulated or implied by the provisions herein. The unenforceability or invalidity of any part thereof shall not render the remaining provisions invalid.

3. PURPOSE

The purpose of this MOU is to stipulate the terms that will govern the relationship between the Parties in the co-financing the construction of KMTC Taveta campus for training of health professionals.

4. OBJECTIVES

The objectives of this MOU include:

- a) To support KMTC to expand training opportunities for health professionals;
- b) To set out the roles to be undertaken by each Party in co – financing the construction of KMTC Taveta campus.

5. SCOPE

The Parties agree that the MoU relates to the co – financing of existing contract No. TV/CDF/KMTC/07/2012 – 2013 signed on 14th December, 2012 between Danaff Kenya Company Limited and CDF – Taveta Constituency for the proposed Construction of KMTC, Taita Taveta Campus for Taveta Constituency Development Fund at Taveta Town at a cost of Kenya Shillings three Hundred and Forty Five Million, Eight Hundred and Ninety Two Thousand, Four Hundred and Eighty Eight (Kshs.345,892,488.00) Only.

The Scope of the work to be covered under this MoU shall be limited up to a tune of Kenya Shillings One Hundred and Thirty Million (Kshs.130,000,000.00) Only.





ANNEX 2

National Government Constituencies Development Fund Board
Harambee Cooperative Plaza, 5th Floor
Junction of Haile Selassie Avenue & Uhuru Highway
P.O Box 46682-00100
Nairobi, Kenya
Tel: 020-2230019, 2230027, 2230032 | Cell: 0709894000
Email: info@cdf.go.ke | Website: www.ngcdf.go.ke

NGCDF BOARD/TAVETA/VOL I (57)

August 24, 2018

Mr. Daniel Kasyoka Mwaluko
Fund Account Manager
Taveta Constituency
P.O. Box 243 – 80302
TAVETA

SUBJECT: IMPLEMENTATION STATUS OF THE PROPOSED KENYA MEDICAL TRAINING COLLEGE, TAVETA CAMPUS

Reference is made to your report summarising the progress of implementation of the proposed Kenya Medical Training College – Taveta Campus submitted to the Board through email on 23rd July 2018, and the recent visit to the project site by a team from the National Government Constituencies Development Fund (NG-CDF) Board Secretariat.

It is noted that the project was designed to be jointly financed by the Taveta NG-CDF in collaboration with the Kenya Medical Training College (KMTTC) through finances sourced from the Equalisation Fund; and the County Government of Taita Taveta as per its commitment letter dated 29th October 2015.

This partnership is acceptable in law as provided for in Section 49 of the NG-CDF Act, 2015 as amended in 2016, which specifically states that: -

Vision: Equitable socio-economic development countrywide



ISO 9001:2008 Certified

“for the purposes of this Act, the Board may consider part funding of a project financed from sources other than the Fund so long as the other financiers or donors of that project have no objection and provided that the part funding for the project availed pursuant to this Act shall go to a defined unit or any part thereof or phase of the project in order to ensure that the particular portion defined in the allocation is completed with the funds allocated under this Act.

It is however noted that: -

- 1.) The pledged financial commitment of Taita Taveta County Government amounting to Ksh. 50 million has hitherto not been met.
- 2.) The amount of Ks. 130 million which was expected from the KMTC had not been received.
- 3.) The Taveta NG-CDF had allocated Ksh. 186,190,184 towards the project
- 4.) The main contract was awarded to M/s Danaff Kenya Company Limited and the contract sum is Ksh. 345,892,480.
- 5.) The Contract commenced on 14th December 2012 and the contract period is 77 weeks.

The Board notes the implementation status for various components of the project as at 19th July 2018 summarised as follows: -

- a.) Administration Block was estimated to be 69.3% complete, and expenditures had been incurred as follows: -

✓ Substructure:	Ksh. 7,225,250.00
✓ Superstructure:	Ksh. 19,353,350.00
✓ Roofing:	Ksh. 6,493,480.00
✓ Finishes:	Ksh. 1,410,800.00
✓ TOTAL	KSH. 34,482,880.00

b.) Classroom block was estimated to be 72.5% complete, expenditures had been incurred as follows: -

✓	Substructure:	Ksh. 6,097,900.00
✓	Superstructure:	Ksh. 13,724,250.00
✓	Roofing:	Ksh. 4,322,740.00
✓	Finishes:	Ksh. 1,189,985.00
✓	TOTAL	KSH. 25,334,875.00

c.) Computer Block was estimated to be 71.6% complete, and expenditures had been incurred as follows: -

✓	Substructure:	Ksh. 4,229,100.00
✓	Superstructure:	Ksh. 9,059,150.00
✓	Roofing:	Ksh. 3,524,110.00
✓	Finishes:	Ksh. 151,075.00
✓	TOTAL	KSH. 16,963,435.00

d.) Dormitory for male students was at lintel level, and was estimated to be 23.7% complete, and expenditures had been incurred as follows: -

✓	Substructure (Certified works):	Ksh. 12,974,400.00
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e.) Dormitory for female students was estimated to be 31.3% complete, and expenditures had been incurred as follows: -

✓	Substructure:	Ksh. 17,171,300.00
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f.) Dining Hall was estimated to be 24% complete, and expenditures had been incurred as follows: -

✓	Substructure:	Ksh. 8,171,300.00
---	---------------	-------------------

The Board further notes that the outstanding works for the main administration Block is estimated to cost Ksh. 15,392,550.00

In view of the foregoing, it is recommended that the NG-CDF Committee initiates efforts aimed at completing the outstanding works. Particularly, the committee is advised to liaise with the funding partners to facilitate the release of the counterpart finances.

It is further recommended that the project is completed in strict adherence to Section 49 of the NG-CDDF Act which inter alia, requires that part funding for project availed pursuant to NG-CDF Act goes to a **defined unit or any part thereof or phase of the project** in order to ensure that the particular portion defined in the allocation is completed with the funds allocated under the NG-CDF Act.

Considering that the Administration Block is 69.3% complete and taking into account that the project component has so far been financed using NG-CDF allocation, the NG-CDF Committee is advised to complete the remaining works in the Block using NG-CDF funds and let the counterpart funds provided by other partners be channeled to other project components or phases in compliance with Section 49 of the NG-CDF Act.

Kindly keep the Board updated on the status of the implementation of the project.

Yours *Sincerely*



YUSUF MBUNO
AG. CHIEF EXECUTIVE OFFICER

ANNEX 3

Analysis report of the NG-CDFC on the projects' cost by various payment certificates (Annex iii)

Danaff Kenya Limited- main contractor

Payment certificate No.	Amount certified	Certificate Date	Amount paid by NG-CDFC	Payment date
No.1	34,589,248	21/1/2013		
No.2	17,370,219	11/3/2013		
No.3	17,230,062	22/4/2013		
No.5	35,078,454.20	23/11/2015		
No.6	10,309,644.40	19/9/2016		
No.7	6,428,979.60	15/12/2016		
No.12	5,600,085	3/7/2019		
No.15	19,804,573.60	21/8/2019		
No.18	5,566,997.30	4/12/2019		
Total	151,978,263.1			

Sub Contractors

Payment certificate No.	Amount certified	Certificate Date	Name of sub contractor	Amount paid by NG-CDFC	Payment date
No.4	3,685,176	18/7/2013	Elsan mechanical engineering		
	2,474,910				
No.10	8,381,129.40	13/7/2017	Elsan mechanical engineering		
	6,447,928.50		Edward Electricals		
No.11	1,425,632.30	16/7/2019 0	Elsan mechanical engineering		
	5,910,352.80		Edward Electricals		
No.15	2,463,130	21/8/2019	Edward Electricals		
No.18	4,145,005.60	4/12/2019	Elsan mechanical engineering		
Total	34,933,264.6				

Consultancy services

Payment certificate No.	Amount certified	Certificate Date	Name of consultant	Amount paid by NG-CDFC	Payment date	Purpose
Fee note 1	1,298,047	12/11/2012	Rex consultants			
Fee note 1	3,561,916.74	12/11/2012	Costbill Systems Limited			
Fee note 1	7,129,142	12/11/2012	Otto Mruttu & Patners			
Fee note 1	1,717,905	4/2/2013	Maina Githinji			Payment for ESIA
Nema fees	76,262	4/2/2013	Maina Githinji			
Fee note 3	2,014,619.30	17/5/2013	Rex consultants			Payment for electrical installation, plumbing and drainage installation
Fee note 3	689,608.60	11/7/2016	Rex consultants			Payment for electrical installatic plumbing and drainage installation
	2,290,466	25/5/2013	Abba & Wandu Engineers			Civil and structural engineer professional fees
Fee note 3	2,637,507.60	30/5/2013	Costbill Systems Limited			Quantity surveying services
	7,260,187.35	29/5/2013	Otto Mruttu & Patners			Professional services for building & civil

Payment certificate No.	Amount certified	Certificate Date	Name of consultant	Amount paid by NG-CDFC	Payment date	Purpose
						engineering works
Fee note 3	1,147,387.40	8/12/2014	Maina Githinji			payment for ESIA
	1,388,161.90	30/5/2016	Costbill Systems Limited			Quantity surveying services
	1,153,546.90	6/7/2016	Abba & Wandu Engineers			Civil and structural engineer professional fees
Fee note 4	2,861,464.61	30/5/2019	Otto Mruttu & Patners			
Fee note 4	515,691.90	2/9/2019	Rex consultants			
Fee note 5	1,049,475	27/8/2019	Otto Mruttu & Patners			Professional services for building & civil engineering works
Fee note 5	538,440.80	28/8/2019	Costbill Systems Limited			Quantity surveying services
Total	37,329,830.1					

Summary;

Item	Amounts Certified (Kshs)
Main contractor	151,978,263.1
Sub Contractor	34,933,264.6
Consultancy	37,329,830.1
Total	224,241,357.8

