



KENYATTA NATIONAL HOSPITAL
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Ref: KNH/SCM/ADM.43/272

Date: 13th September, 2024

To: Esteemed Suppliers

RE: IMPLEMENTATION OF LEGAL NOTICE NO. 206: THE PUBLIC PROCUREMENT CAPACITY BUILDING LEVY ORDER, 2023

The Hospital hereby notifies you that the Cabinet Secretary, National Treasury and Economic Planning, pursuant to Sections 24(5)(d) and 180 of the Act, issued the Public Procurement Capacity Building Levy Order, 2023 (hereinafter referred to as 'The Levy Order, 2023') vide Legal Notice No. 206 of 6th November, 2023, in order to provide funds for the capacity development of persons involved in public procurement and asset disposal proceedings through mentoring, training, and technical assistance.

Section 3(1) of The Levy Order, 2023; provides that there shall be paid a Levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

You are hereby advised that:

1. The commencement date for The Levy Order, 2023 is 1st September, 2024;
2. The Levy Order, 2023 shall apply to all signed contracts resulting from all procurement proceedings initiated from 1st September, 2024;
3. The Levy Order, 2023 shall also apply to any contract extensions, renewals and/or variations made from 1st September, 2024;
4. The Levy Order, 2023 shall equally apply to contracts that are long term in nature (Term Contracts) where Local Service Orders (LSOs) or Local Purchase Orders (LPOs) are raised as and when orders are made;

All suppliers should take note of the effectiveness of the Levy Order 2023 and compliance.

All invoices where Local Service Orders (LSOs) or Local Purchase Orders (LPOs) are raised from 1st September, 2024 must include 0.03% levy of the value of the signed contract, order exclusive of applicable taxes in a separate line item.

For any clarification and information, contact the undersigned office through:
procurement@knh.or.ke

Rose M. Njoroge, OGW

For: CHIEF EXECUIVE OFFICER

REF: PPRA/6/5 VOL.II (224)

30th August 2024

PPRA CIRCULAR No. 01/2024

The Clerk of the Senate
The Clerk of the National Assembly
The Chief Registrar of the Judiciary
All Principal Secretaries and Accounting Officers of Ministries and State Departments
The Solicitor General
The Auditor General
The Controller of Budget
All Commission Secretaries, Constitutional Commissions
All CEOs/Accounting Officers of State Corporations and SAGAs
All Vice Chancellors, Public Universities
All Ambassadors/ High Commissioners, Kenya Diplomatic Missions
All County Secretaries
All Clerks, County Assemblies
All County Executive Committee Members for Finance
All Accounting Officers, County Departments
All CEOs/Accounting Officers of County Corporations/Agencies
All Managing Directors, Public Water Companies
All Principals of Public Colleges, Polytechnics, Technical and Vocation Training Institutions
All Principals and Headmasters of Public Secondary & Primary Schools
All Trust Secretaries, Pension Funds for Public Entities
All Regional National Government Coordinators
All County Commissioners, County Service Delivery Coordination Units
All Fund Account Managers, National Government Constituency Development Funds
All County Coordinators, National Government Affirmative Action Funds
All Managers, City Boards and Municipalities
All Heads of Project Implementation Units/Offices
All Heads of Other Public Institutions

**IMPLEMENTATION OF THE PUBLIC PROCUREMENT CAPACITY BUILDING
LEVY ORDER, 2023**

The Public Procurement Regulatory Authority (the Authority) is established under Section 8 of the Public Procurement and Asset Disposal Act, 2015 (the

~~Act) with the mandate of monitoring, assessing and reviewing the public~~
procurement and asset disposal system to ensure compliance with the national values, the principles under Article 227 and other provisions of the Constitution of Kenya 2010, and thereby make recommendations for improvements to the system. Additionally, the Authority also promotes and supports the training of persons involved in public procurement and asset disposal proceedings.

In order, to provide funds for the capacity development of persons involved in public procurement and asset disposal proceedings through mentoring, training, and technical assistance, the Cabinet Secretary, National Treasury and Economic Planning, pursuant to Sections 24(5)(d) and 180 of the Act, issued the **Public Procurement Capacity Building Levy Order, 2023** (hereinafter referred to as 'The Levy Order, 2023') vide **Legal Notice No. 206 of 6th November, 2023**.

Paragraph 3(1) of The Levy Order, 2023 provides that, *'there shall be paid a Levy by a supplier on all procurement contracts signed between the supplier and a procuring entity, at the rate of zero point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.'*

The Authority hereby notifies all procuring entities as follows:

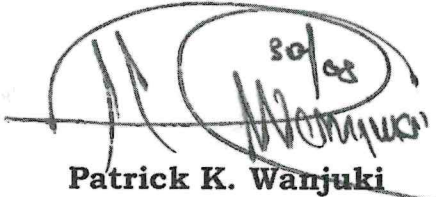
1. **The commencement date** for The Levy Order, 2023 is **1st September, 2024**;
2. The Levy Order, 2023 shall apply to all signed contracts resulting from all procurement proceedings initiated from **1st September, 2024**;
3. The Levy Order, 2023 shall also apply to any contract extensions, renewals and/or variations made from **1st September, 2024**;
4. The Levy Order, 2023 shall equally apply to contracts that are long term in nature (Term Contracts) where Local Service Orders (LSOs) or Local Purchase Orders (LPOs) are raised as and when orders are made;
5. Procuring entities shall remit the Levy amounts to **the Authority** through the **eCitizen payment platform** by the 20th day of the subsequent month; failure to which a penalty of 5% of the outstanding levy amounts shall apply for each and every month the levy amount remains unpaid; and
6. All procuring entities shall file monthly returns by the 20th day of the subsequent month on all levy amounts deducted and remitted to the Authority through the Public Procurement Information Portal (<https://tenders.go.ke>).

The Authority shall organise forums from September, 2024 for sensitization of procuring entities on implementation of The Levy Order 2023. The Authority will

also continuously engage and collaborate with all procuring entities to enhance compliance with the provisions/requirements of The Levy Order 2023.

For any clarifications and information on The Levy Order 2023, please contact the undersigned through **info@ppra.go.ke**.

All Accounting Officers are required to adhere to Legal Notice No. 206 of 2023 and ensure compliance to the provisions of The Levy Order 2023 by bringing it to the attention of their Procurement and Finance functions, all officers within their institutions, and other Agencies within their purview.



Patrick K. Wanjuki
DIRECTOR GENERAL

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