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Pls pass to the chair of members of the Comm. on Lands Pls. 11/11/10

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HON. MWANGI KIUNJURI, M.G.H., MP.
Laikipia East Constituency

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National Assembly
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P.O. Box 41842
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11/11/10

Ref: HMK/MPW/2010(1)

Chairman departmental committee on Lands and natural resources

NOV 11th October 2010
[Signature]

When I appeared before the Parliamentary Committee on Land and Natural resources, I promised to share more information with the committee. I wish to forward the following documents to assist the committee with its investigation.

[Document marked Appendix: 1-12]

Possible Links to Suppliers/Nepotism

While I agree with the Minister that any Kenyan can tender for work advertised by any public agency, assuming issues of conflict of interest have been declared and dealt with, could the Minister shed some light to the committee about what association, family or otherwise that she might have with the following companies: Timetrax, Surf Ways, Nthenca Enterprises, Broad Vision, Kat Michaels, Taru General, G.L. Williams, Secon and an NGO called KECIDI.

- a) Are some of these companies adversely named in the Water Services and Regulation Board (WASREB) report?
- b) Are some of these companies also in the list of companies inflating prices as they supply goods to the National Water and Pipeline Corporation?

Pages sent on November 11 2010
[Signature]

Inflation of Prices:

Could the committee check with the Public Procurement Oversight Authority (PPOA) Market Price Index the basis of it Section 30 (3) of the Public Procurement and Disposal Act, 2005 which provides, that procurement of standard goods, services and works with known market prices "shall be procured at the prevailing market price" and establish whether prices of goods such as sand paper bought at Ksh 220, instead of Ksh 10 or masking tape procured at Ksh 300 instead of 80, or a plug bought at Ksh 300 instead of the market price you and I know of Ksh 80 reflect prevailing market prices? Does this kind of inflation really reflect the 'value for money' assurance?

Umaa Dam

The Public Procurement and Disposal Act, 2005, says that any cost escalation beyond that which is allowed by law constitutes irregular additional expenditure and relevant authorities should be notified to take action. I request the committee to investigate on whether Umaa Dam Escalation of Cost has gone way above 15% allowed by the law.

- a) If that be the case has the Ministry of Water and Irrigation notified such authorities?
- b) Did the Minister mislead the committee when she appeared before you on 30th July, 2010 and said everything was going on well with construction of the four large dams.

NB. Umaa Dam is one of the four dams.

Signed



Mwangi Kiunjuri

MP, Laikipia East.



AP 1



MINISTRY OF WATER AND IRRIGATION

Telegrams: "MAJI", Nairobi
Telephone: 2716103
Fax: 2727622
Email: did@water.go.ke

DIRECTOR OF IRRIGATION AND DRAINAGE,
MAJI HOUSE,
P.O. Box 49720 - 00100,

Ref: MWI/ IDD/13/2 Vol.III

Date: 17th August, 2010

Eng. P.A. Ogut (Ms),
Ag. Managing Director,
National Water Conservation &
Pipeline Corporation,
Dunga Road,
NAIROBI

Eng. Mwangi
Discuss
MD
18/8/10



Dear MD,

RE: DEVELOPMENT BUDGET DISBURSEMENT FIRMS QUARTER FY 2010/2011

Please refer to your letter Ref. No. NWCPC/CON/FIL/426/VOL.II/45 dated 12th August, 2010 in which you forwarded a breakdown of your exchequer request of Kshs. 1.38 billion for construction of large dams.

Upon perusing through the information provided on project costs for the large dams, payments to date and disbursement request for the first quarter of 2010/2011, issues that require clarification have arisen. For example, Umaa dam is reported as 58% complete. The project cost is Kshs.878,797,600.49 while payments to date amount to Kshs. 474,040,377.83. Adding the first quarter disbursement request of Kshs. 342,500,000.00 to payments done to date will amount to Kshs. 816,540,377 by the end of the quarter which is nearly the project cost and which will lead to cost overruns.

It is therefore necessary to clarify the following:

1. Are the disbursement requests intended to meet additional works and hence overruns?
2. Are the disbursement requests intended to also meet work already certified and not paid?

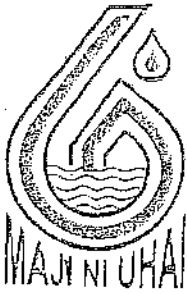
We would appreciate to have your clarifications by Wednesday 25th August, 2010 to enable this matter to be concluded soonest.

Yours Sincerely

ENG. R.K. GAITA,
DIRECTOR IRRIGATION AND WATER STORAGE

c.c. Hon. Minister _ for information.

Permanent Secretary _ " "



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National Water Conservation & Pipeline Corporation

"Water is Life"

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AP 2

Managing Director's Office
Dunga Road
P.O. Box 30173, 00100 GPC
Nairobi,
Kenya

When replying please quote

Ref. No.NWC/MD/00/1A/VOL.II/(153)

18th August, 2010

M/s Kiri Consult Limited,
P.O. Box 4125 - 00506,
NAIROBI.

Dear Sirs,

CONSTRUCTION OF UMAA DAM PROJECT
Contract No. NWC/HQ/20/08-09

Variation of Works

Reference is made to Financial Appraisal No.1 sent to the Engineer by the Contractor. A copy of the same is attached for ease of reference.

To get an insight into the financial appraisal, we have perused the document and noted with concern the escalating variations of works at the above project in the following areas:-

- Grouting works,
- Treatment works
- Diversion Channel
- Spillway.

You will recall that during the early stages of the project, the Consultant was duly advised in relation to grouting works. In accordance to Clause 3.1 General Conditions of Contract, the Consultant is required to undertake their service with due professionalism. The Grouting as provided in contract is 450m while currently has gone to 1,400m. It is important that you determine

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to what extent grouting is required on this contract so that the appropriate decisions are made.

Compare the contract and current situation and advise the Engineer whether there was gross underestimation of the grouting works. Also confirm that advice given to you at early stages was not followed (see attached Minutes).

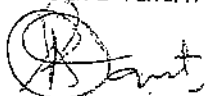
Please note that with reference to the delegated duties (Clause 2.3), the Consultant has an obligation to facilitate early detection of such discrepancies in the construction documents that may result in substantial financial implication and as such, hamper the realization of the project. This obligation however, seems to have been overlooked as evident in the magnitude of the variations.

The Engineer has also noted that during the early stages of the project, the Consultant was duly advised in relation to grouting works. However, it seems that the Consultant did not heed to the advice and thus the gross under estimation of the grouting works.

The Engineer would like to establish the exact financial implication of the current and anticipated variations. Please comment on the financial proposal with due guidance as required. We also wish to inform you that Government Procurement regulations require that variation go upto 15%, thereafter, the Project would have to be retendered.

In this regard, you are required to prepare a comprehensive evaluation of the current and anticipated variations. The evaluation should include areas where there are possible savings and where costs reductions can be realized. Also provide a proposal that would ensure we contain the Project within Government regulations. You are required to present the report at a consultative meeting scheduled for 20th August, 2010 at 9.00 a.m.

Yours faithfully,



Eng. P. A. OGUT (Ms)
Aq. MANAGING DIRECTOR



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AP/23

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Kenya

When replying please quote

Ref. No. **NWC/MD/00/6/VOL.I (23)**

25th August, 2010

The Permanent Secretary,
Ministry of Water & Irrigation,
P. O. Box 49720 – 00100,
NAIROBI.

Att. Eng. R. Gaita

Dear

**DEVELOPMENT BUDGET DISBURSEMENT FIRST QUARTER FINANCIAL YEAR
2010/2011- CONSTRUCTION OF UMAA DAM PROJECT
CONTRACT NO.NWC/HQ/07/2008-09**

Please refer to your letter Ref. MWI/IDD/13/2/Vol.III dated 17th August 2010 on the above. Umaa Dam Project budget allocation, disbursements and expenditure are as follows:

Financial Year	2008/2009	2009/2010	2010/2011	Total
Amount Allocated	250,000,000.00	*340,000,000.00	516,000,000.00	989,198,550.00
Amount Disbursed	250,000,000.00	223,198,550.00		473,198,550.00
Amount Expended (Contractor)	193,289,503.56	241,169,454.29	144,633,849.31	579,092,807.16

Note:

**In the financial year 2009/2010 the allocation read Kshs. 340 million and the Ministry of Water and Irrigation removed Kshs. 116,801,450 million leaving the allocation as Kshs. 223,198,550.00.*

We wish to clarify issues pertaining to payments to date and disbursement request for the first quarter as follows:

- During the project implementation dam safety is an important factor which must be given serious consideration. In the Bills of Quantity at tender time the provision for grouting works allowed for 450 m at a total cost of Kshs. 45 Million. At tender time there was indication that foundation grouting was required but as there was no factual report, provision for and carrying out of exploratory geophysical investigations had to be conducted during the project implementation to determine the extent of grouting needed. The exploratory investigations during construction have since revealed that the underground formation is highly fractured to the extent that extensive grouting to the magnitude of 2020 m is required to ensure underground seepage is effectively contained to safe margins. This additional meters of grouting of 1570m will result into additional costs to the project;
- There was also no provision for raking inclined check holes in foundation grouted zone in the contract which will have to be included;
- The quantity allowed for dam instrumentation was inadequate to monitor performance of dam at construction in line with international standards (ICOLD) requiring use of additional instrumentation.
- The contract sum both for consultancy and construction works amounts to **Kshs. 879 million** while total budget allocation is Kshs. 990 million (refer to above table in the financial years 2008/2009 to 2010/2011). According to the Government procurement regulations contained in the Procurement and Disposal Act 2005, a project may be varied up to 15%. This would result in a revised contract sum of Kshs. 948,125,689.56 from the original contract sum for construction works of Kshs. 824,457,120.49;
- The budget allocation in year 2010/2011 was requested on the basis that it could cater for anticipated variations in quantities and cost increase in the project of up to Kshs 123,668,568.70 due to
 - Unexpected ground conditions after the exploratory geophysical investigations
 - Change of rock blasting methodology in the dam area (diversion channel, core trench, spillway and treatment works) to soft blasting to avoid opening up fractures in the fragile dam foundation.
 - Change in sizing of the diversion channel

- The difference in the budgeted amount and the revised contract sum of Kshs. 41,072,860.44 was to cater for the following which are not part of the scope of the contractor's work
 - Area Local Authority Municipal and County Council Cess due to transportation of the core material from Kwa Vonza which is 35 Km away from the dam site charges
 - Additional dam monitoring instruments to conform to ICOLD measurement requirements and also the fact that the dam foundation is fragile requiring continuous monitoring of performance of embankment dam safety during construction.
 - Land acquisition
 - Any other emerging incidental costs on the project

Sir, the disbursement request that was made was to cover the following three areas of Works

- Works planned to be executed within the 1st quarter as per the programme of works
- Work certified and pending payment – certificate No. 9 of Kshs. 82 million which could not be paid in the previous year due to lack of budget in 2009/2010 and certificate No. 10 of Kshs. 62 million which has been processed. Both certificates have been settled
- Additional works on foundation grouting

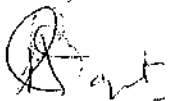
From the above we anticipate to have cost overruns on the project and these are being addressed as follows:

- Prioritization of the project's components to ensure the dam and critical activities that will make the project operational are completed. The critical activities that the Corporation has identified are grouting, dam instrumentation, embankment, intake tower, treatment works, diversion channel, spillway, pipeline and staff houses.
- The Corporation is looking at areas in the Project which can be scaled down to accommodate the cost on foundation grouting without major changes in the scope of works. Such areas include

- Rationalizing the spillway by omitting the stilling basin area which has no structural implications
- The Corporation purchasing the additional dam instrumentation and use a nominated sub contractor as opposed to the current contractor providing the same
- Land scaping and other minor works to be undertaken using in house capacity
- Anticipated savings on day works amount.

In this regard, the Engineer's opinion and overall assessment of the increase in foundation treatment of the project it is considered practical to complete the works within the approved budget of 989,198,550.00. The supervising consultant has also been requested to give the project's appraisal and we will keep you updated on the outcome of the said project appraisal.

In view of the above please find enclosed a project brief for your attention and details of the priority works to be undertaken.

Yours faithfully,


Eng. P. A. Ogut (Ms)
Ag. MANAGING DIRECTOR

Encls.

c.c Charity Kaluki Ngilu, EGH, MP.
 Minister for water & Irrigation,
 P.O Box 49720 – 00100,
NAIROBI.

Eng. Geoffrey Ng'ang'a Manguriu,
 Chairman, Board of Directors,
 National Water Conservation &
 Pipeline Corporation,
 Agip House 4th Floor Room 409,
 P.O Box 57866,
NAIROBI.

PRIORITY WORKS TO BE COMPLETED CONTRACT NO. NWCPC/HQ/07/2008-09

Proposed revised contract sum	Kshs. 948,125,689.56
Total paid to the contractor to date	Kshs. 579,092,807.16
Balance for the works	Kshs. 369,032,881.40
Savings on the project	Kshs. 38,000,000.00

Funds available to complete the project Kshs: 407,032,881.40

Proposed works to complete the project

<u>No.</u>	<u>Item Description</u>	<u>Cost</u>
1	Additional grouting	92,800,000.00
2	Embankment	218,080,000.00
3	Intake tower	3,317,600.00
4	Treatment works	25,520,000.00
5	Diversion channel	2,320,000.00
6	Pipe laying	2,320,000.00
7	Staff houses	5,916,000.00
8	Spillway	44,080,000.00
		394,353,600.00

OTHER AREAS OF SAVINGS

Day works schedule	Kshs. 30,000,000
Road works	Kshs. 8,000,000



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Kenya

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AP 4

When replying please quote

Ref. No.NWCC/CON/EIL/411/V/104

14th October, 2010

M/s Kiri Consultant Ltd.,
P.O. Box 4125 (00506),
NAIROBI.

Dear Sirs,

**CONSTRUCTION OF UMAA DAM OPROJECT
CONTRACT NO. NWC/HQ/20/2008-09
CONTROL OF COST ESCALATION ON CONTRACTED PROJECTS**

Your letter Ref: NWCC/UMAA-SP/VOL.1/410 of 9th September 2010 on the above subject and our letter Ref: NWC/MD/00/1/VOL.1/140 dated 3rd September 2010 in which we highlighted the need for yourselves to exercise due diligence and to ensure that the project is implemented within the contract sum and duration refers.

We have noted from your response and wish to reaffirm our earlier position that you did not demonstrate due diligence in the execution of your mandate under this project, being the Engineer's Representative as spelt out in (i) our delegated powers to you vide our letter no. NWC/MD/00/1/VOL.1/140 dated 3rd September 2010, (ii) the Terms of Reference (TOR) in your Consultancy Contract and (iii) the Conditions of Contract for the execution of the Umaa Dam Project Works.

pg. 1

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We have noted that you have indicated that according to various clauses under the TOR, clause 2.2.3 you take it that your contractual obligation is limited to informing and advising the client of any expected situation which might affect the timely completion of the works and the expected cost implication and not to guarantee adherence to contract sum and contract period. The Engineer now wishes to advise you that the clauses in Consultancy Contract in force between yourselves and the Corporation cannot be read in isolation so as to negate your contractual obligations thereto. Kindly refer to Page 69 of the said signed contract agreement under stage 3, construction supervision which inter alia states the following " the consultant will be responsible for supervising the works ensuring that the contractor executes the works according to specification, schedules and within budget". A copy of this statement is enclosed for your ease of reference.

We wish to and do hereby refute your claims as stated in your letter no. NWPC/UMAA-SP/VOL.1/410 of 9th September 2010 referred to above, that the cause of escalations of cost is mainly due to changes brought about by the Client e.g. (i) changes in location of treatment works, (ii) increase in the size of the diversion channel and (iii) extensive grouting which is necessitated by extensively fractured rock at dam foundation. Our refuting of your claims listed above is supported by the facts on Page 53 of the signed Contract Agreement between you and the Client, (copy is attached for ease of reference) you admitted that in the signed contract that you were involved in the design review of Umaa dam project and therefore familiarized yourselves with the project. You further admitted in your statement that you had noted that there were no acute physical challenges that could hinder the successful execution of the works and also you confirmed that the dam foundation lies on rock with no evidence of faulting. In this case we find that your technical competence is questionable following your present recommendation on the quantities of grouting works to be done which is in excess of 2000m which you take it that this was not envisaged in the project cost at the time of tender. In the design review report, you as the consultants clearly stated that the diversion conduits had been changed from 2 No. 800mm dia to 1.5m by 2m rectangular conduit, but during the construction of the dam the diversion channel was constructed to a larger size measuring 2.25m by 2.25m square conduit causing additional quantities and costs.

b) Staff Houses & Relocation of Water Treatment Units:

From your write up of the emerging issues on site, you have indicated that some staff houses were unforeseen during design stage. Similarly, the treatment units were changed due to poor conditions of underlying soils. It is very clear from the reasons/justifications cited by yourselves that no effort was made/done by you during the design stage and subsequently in the tender documents since the project scope of works and the proposed site has at no time changed or any changes contemplated. It is thus obvious that you did not do your job well/diligently by carrying out basic site investigations like trial test pits and you did not advise the Engineer of the cost implication of your actions.

c) Re-design of Spillway & Diversion Channel:

The need to redesign these structures was necessitated by arising hydrological issues on site during the review of the design of Umaa dam project. You will recall that at design review stage you were advised that the diversion channel should be checked for adequacy to evacuate the 10,000 year flood. As a competent consulting engineer with the prerequisite engineering experience we expected that you heeded the Client's advice and that the same was accommodated in the engineering drawings, specifications and Bills of quantity. However, during the project construction the Bills of Quantity was found to be deficient in quantities for several items on the diversion channel and spillway. This indicates that there was no proper data collection and analysis of the same in designing/sizing of the structures and taking off quantities to the Bills of Quantity. This in our opinion amounts to professional negligence on your part as you did not carry out the review comprehensively and professionally.

Good financial controls during project implementation require that the Engineer's representative provides to the client on a monthly basis statements of the Contractor's staff and plant resources on site and estimate of the final cost of works based on measured and anticipated quantities and any pending claim. The Corporation did receive the first financial appraisal prepared by yourselves of the project in April 2010 which was 16 months after the commencement of the project indicating that additional amount to the of Kshs.

On the contrary to your statement that the increase in costs were caused by the Client, it is evident that the cause of all the above costs increases are attributable to your inability to exercise due diligence and professional conduct while carrying out this Umaa Dam Project works during ;

- The design stage,
- Preparations of the tender documents and
- Construction supervision.

During the project implementation and supervision under your watch serious issues have emerged with financial implications and we wish to comment as follows:-

a) Grouting Works:

We have noted that you admitted to having reviewed the design of Umaa dam and you had found that the dam foundation lies on rock with no evidence of faulting. However with the development of the dam we find your above statement contradictory on the dam foundation which has faults/fractures that have necessitated extensive grouting.

Your assertion that you could not have determined fairly the quantities of grouting work due to lack of factual report does not exonerate you from your responsibility as per our terms of reference as the project consultant during the review of design and preparation of the tender documents (see attached copy of TOR). It is obvious that no geotechnical investigations and/or exploratory surveys were carried out by yourselves and hence the gross omission of fair determination of quantities on grouting works. In addition, your issue of factual report being required was never raised with or pointed out to the Client by yourselves before and during your assignment. A diligent Engineer would have requested for this information and in the absence of the same, if it is a minimum requirement for proper execution of the assignment, a decision would have been made by the Client as stated in our TOR. In addition, the Client through the input of the dam experts brought to your attention on 26th August 2008, the need to include grouting in the bill of quantities, check the diversion culvert sizing and dam safety among other recommendations.

91,262,459.00 which could readily be absorbed by contingencies and 15% allowed Contract variation according to Government regulations and Conditions of Contract.

You will note that the Contractor carried out unsolicited financial appraisal of the project in July 2010 which contradicted your financial appraisal as it indicated the additional amount required above the contract Sum was Kshs. 652,498,823.40.

The Client requested you to do another financial appraisal which you unprocedurally submitted to the contractor by email on 6th September 2010 the process of sending the same to the Corporation. The hard copy of the financial appraisal indicated that the contract sum would be exceeded by Kshs. 313,909,606.30.

In August 2010, the Engineer called an emergency project consultative meeting between the Engineer, Engineer's Representative and the dam experts in which the Engineer emphasized the need to prioritize the works to allow for 15% variation in accordance with the Government Regulations. The Engineer finds your Statement that you recommended that some items be scaled down or omitted altogether and the sequencing of the programme be altered to allow for completion of the project in a way that the objective of the project is achieved not true.

On the contrary, the Engineer had to take control of the project and with the assistance of the dam experts and yourselves achieve on stringent measures to be undertaken. It is very clear that you did not advise the client in good time about the issues relating to the project cost as spelled out in our delegated powers to you. (*See attached copy for ease of reference*).

From the few aforementioned issues as examples, the Engineer is of the opinion that you failed to take due care, diligence and responsibility delegated to you on the following:-

- (i) Promptly advising the Engineer of the modifications on the works and the attendant cost implications on the Contract,

- (ii) Seeking the written approval of the Engineer for all modified works before issuance of site instructions to the Contractor to proceed with any such works,
- (iii) Appraising the project from the on-set and promptly advising the Engineer on its' effect on project cost and timely completion of the project.

Arising from the above and considering the issues raised in your letter Ref: No. NWCPG/UMAA-SP/VOL.1/410 of 9th September 2010, the Engineer finds that you have not exercised your delegated powers with due diligence and care and holds you responsible for the delivery of the project. You are now advised to immediately take the necessary remedial measures to ensure contract compliance by the contractor in accordance with the stipulated terms of engagement with the Corporation, and report back on action taken and results thereon within a period of two (2) weeks from the date of this letter.

Yours faithfully,



Eng. F.A. Ogut (Ms)
MANAGING DIRECTOR

Encls.

n.o.c.

Eng. D.N. Stower,
Permanent Secretary,
Ministry of Water & Irrigation,
P.O. Box 30173 – 00100,
NAIROBI.

Eng. Geoffrey N. Mang'uriu,
Chairman of the Board,
National Water Conservation &
Pipeline Corporation,
NAIROBI.



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When replying please quote

Ref. No. **NWC/MD/00/1/VOL.1/(140)**

3rd September, 2010

M/s Kiri Consult Ltd.,
P.O. Box 4125 - 00506,
NAIROBI.

M/s Samez Consultants Ltd.,
P.O. Box 72398 (00200),
NAIROBI.

M/s Otieno Odongo & Partners
Consulting Engineers,
P.O. Box 54021 - 00200,
NAIROBI.

M/s Runji & Partners Ltd.,
P.O. Box 68053 - 00200,
NAIROBI.

Dear Sirs,

CONTROL OF ESCALATION ON CONTRACTED PROJECTS

This is to remind you that as the Engineer's representatives on various large darn contracts you are required to exercise due diligence and ensure all projects are implemented within contract sum and duration.

Please take note that funds available to the Corporation for Project implementation and supervision are obtained based on budgetary provision and disbursements from the Government. The Corporation operates within Government Procurement regulations which indicate that contracts can not exceed 15% above the contract sum.

Therefore, cost escalation in excess of 15% of the Contract Sum is a violation of Government financial regulations and no additional funding on escalated costs incurred in violation of the contracts will be accepted.

It is therefore, imperative that you exercise caution on all our projects and avoid cost escalations on the large dams projects. You are advised that the Corporation will not defend decisions taken outside this instruction and existing Government procedures and regulations.

Please observe compliance.

Yours faithfully,



Eng. P.A. Ogut (Ms)
Ag. MANAGING DIRECTOR

copy to:-

Eng. David N. Stower, CBS, OGW.,
Permanent Secretary,
Ministry of Water & Irrigation,
P.O. Box 49720 - 00100,
NAIROBI.

Eng. Geoffrey N. Mang'uriu,
Chairman,
National Water Conservation &
Pipeline Corporation,
P.O. Box 30173 - 00100,
NAIROBI.

**PRESENTATION ON PROGRESS MADE BY NATIONAL
WATER CONSERVATION AND PIPELINE
CORPORATION ON GOVERNANCE AND PORTFOLIO
PERFORMANCE**

**FOR PROPOSED MEETING WITH THE DEPARTMENTAL
COMMITTEE ON LAND AND NATURAL RESOURCES**

i) Introduction

The National Water Conservation and Pipeline Corporation (NWPC) is a parastatal under the Ministry of water and Irrigation established in 1988 to develop and manage water and sewerage schemes and carry out water conservation in the country until 2005 when the water sector reforms were operationalised.

Following the sector reforms, the Government changed the mandate of the NWPC to development of state schemes which include drilling of boreholes, construction of dams and pans and flood control works. In execution of its new mandate, NWPC has to date constructed 763 small dams and pans providing additional water storage of 14.8 Million litres that serves 1.8 Million livestock; further, NWPC has drilled and equipped 787 boreholes supplying 114.3 million litres of water per day and serving about 2.88 million people. These projects have been implemented mainly in ASAL areas where access to water is still low.

It is important to note that between October last year when the Honorable Minister appeared before the parliamentary committee on Land and Natural Resources on NWPC issues, the Corporation has constructed an additional 75 water pans and 100 boreholes serving additional 900,000 people and livestock with portable water.

This Financial Year the Corporation targets to construct 77 Small Dams/Pans with extra capacity of 1.3 Million Litres and drill and equip 88 Boreholes

(ii) Current Status of Construction of the Five Large Dams Kiserian, Umaa, Maruba, Chemususu and Badasa

The construction of five large dams started in the financial year 2008/2009 and the works are progressing on well. Maruba Dam was completed in June 2010 and the Machakos town residents are benefiting from the rehabilitated dam. The other dams are slightly behind schedule because of several challenges such as

- access to material borrow areas,
- unpredictable condition of embankment foundation and
- Budgetary shortfall of Kshs. 1.28 billion resulting in the works slowing down in the last financial year. It had been projected that in order to service the contracts for the financial year 2009/2010, Kshs.3.28 billion would be required but we could only allocate Kshs. 2.0 Billion.

All contractors have been advised that completion dates for these projects still remain unchanged and therefore they must mobilize the required resources to ensure timely completion of the same.

In this financial year (2010/2011) the Government has allocated Kshs 2.923 Billion towards the construction of the dams. We anticipate that the Corporation will commence the construction of one new Multipurpose dam- Nzoia Dam and the final design is expected to be completed by November 2010.

The current status is summarized below:

NAME OF DAM	DISTRICT	CAPACITY IN MILLION LTS	CONTRACT SUM (KSHS M)	PAYMENTS TODATE (KSHS M)	CURRENT IMPLEMENTATION STATUS (%)	PROJECTED COMPLETION DATE
Umaa	Kitui	870	824,457,121	549,421,955.96	59	January, 2011
Kiserian	Kajiado	1,200	989,397,136	403,533,374.15	51	January, 2011
Chemususu	Koibatek	11,000	4,861,154,976	1,076,656,608.64	30	July, 2012
Badasa	Marsabit	5,000	2,389,846,059	786,454,408.84	25	December, 2011
Maruba	Machakos	2,450	380,000,000	380,000,000.00	100	June , 2010
Total		20,520	9,414,855,292	3,196,066,348.00		

iii) Alleged misappropriation of public funds by NWCP

The Corporation undertook an Internal Audit review to assess efficiency of the payment system between June 2009 to September 2009. In this audit it was established that the Corporation's management could not account for various payments made to suppliers. The Board of Directors was scheduled to receive the status of the internal audit a day before the fire outbreak on 24th September 2009. The inferno destroyed vital accounting records and internal audit working files that would have revealed the magnitude of financial loss for the Corporation. Though there was back up at the server, the financial management software was not fully effective as the accounting system was at the transition stage (from manual to electronic) thus some of the financial records could not be traced. A pending bills committee was established to reconstruct and verify the records before payment could be effected. These financial records are subject to forensic audit. However, the matter is under investigation by the CID head quarters, Kenya Anti-Corruption Commission, Inspectorate of State Corporations and Efficiency Monitoring Unit.

16 members of staff involved in the above misappropriation of funds have been dismissed from service. The Inspectorate of State Corporations has already prepared some surcharges to recover the same and these have been issued to the concerned staff.

iv) Reports and Recommendations on Investigations of NWCP

1. Efficiency Monitoring Unit

As part of the streamlining, the Efficiency Monitoring Unit (EMU) from the Office of the Prime Minister was invited to investigate and make recommendations on the operations of the Corporation. EMU submitted its report to the Ministry and its key recommendations are as follows:-

- (a) The Board of Directors should take appropriate disciplinary action against the former Managing Director Eng. J.K. Muchemi, Head of Finance Department Mr. Stanley Amuti, Internal Auditor Mr. Patrick Onguso and Head of Procurement Division Mr. Ferdinand Masakhala for contravening Government Financial Regulations and Procedures and irregularities of procurement of goods and services.

The Board has already dismissed from service Eng. Muchemi, Mr. Stanley Amuti, Mr. Ferdinand Musakhala and Mr. Patrick Onguso.

- (b) It was noted that the Board of Directors should reduce the debts which was Kshs 730,740,236 as at 30th June, 2008 which occurred due to scaling down of the budget for 2005/06 financial year, extra work which were done and poor maintenance of accounting records.

The pending bills are being verified by an outsourced forensic expert firm KPMG which is expected to finalise the exercise by October 2010 after which the Ministry will request Treasury to allocate funds to settle them. However in this financial year Kshs. 250 million has been set aside to pay part of the bills once authenticated by the forensic experts.

- (c) The management to put in place effective financial management systems for the effective operations of the Corporation. This should include the management of the accounting and procurement functions of the Corporation.

The board overhauled the finance department by dismissing from service head of department and 13 other officers in February 2010 .However since November 2009 the Finance department was manned by staff from the Treasury, Ministry and other Water Institutions who have been identified and deployed temporarily without affecting operation at the Ministries and these Institutions up to 30th June 2010. The posting of additional staff from Treasury has boosted this effort. The Corporation has recruited competent staff (General Manager Finance, Chief Accountant, 2 senior accountants) to strengthen the finance department and 2 senior Internal auditors to boost the Audit function.

Systems of internal controls are being improved. The management has implemented electronic payment method to reduce instances of fraud. Suppliers are now being paid on time. Also the procurement department has been overhauled by suspending one officer suspected of irregular procurement activities and dismissing from service two officers involved in irregular procurement activities. The Corporation has also developed a finance manual which will ensure that the organization effectively discharges its financial obligations. The manual will provide a comprehensive guidance in relation to financial management, accounting policies, procedures, transactions and reports.

The Corporation is in the process of implementing an Enterprise Resource Planning software which will automate finance, Procurement, Human Resource, , project management etc by facilitating the electronic capture of data in the entire organization thus enhancing accountability and efficiency. The Enterprise Resource

- (d) There is no proper record of creditors. Some were omitted in the books of accounts while others were included without proper justification. The management should determine the correct pending bill position.

The Ministry, fearing that irregular payments may be made out of the pending bills stock, instructed that all pending bills payments be suspended until a proper verification has been done. Since most of the pending bills arose out of the hire of transport, the Corporation acquired ten (10) lorries, eight (8) 4X4 double cabins to desist from hiring vehicles.

The Honorable Minister for Water and irrigation met the creditors on 26th November 2009 and requested them to submit documents which could be verified by a committee. To date the creditors have submitted documents which are to be authenticated by forensic experts. Payments will be made after the vetting exercise is over by the Forensic experts. The Assignment is expected to be over by October 2010.

In the process of submission of document one Messers Stephen Ndungu submitted documents claiming Kshs. **413,198,812.76** which are due for both forensic audit and investigation by the Criminal Investigations Department.

- (e) The Corporation has huge arrears of outstanding tax in form of VAT, withholding tax, PAYE, etc to the tune of Kshs.169,148,318 which were not remitted to the Kenya Revenue Authority (KRA)and penalties of Kshs. 87,361,292.00.

The Corporation disputed the figures and hired KPMG consultants to undertake an independent assessment of the claim. KPMG has submitted the report recommending the Corporation should pay Kshs tax of 128,268,929 and

penalties of Kshs. 75,714,003. The Corporation has entered into negotiations with KRA on a settlement plan. In the current financial year the Corporation has factored Kshs.204 million towards the settlement of these arrears and the current taxes are being remitted as required

- (f) The Minister, Ministry of Water and Irrigation should reconsider the composition of the Board of Directors given their poor corporate governance and conflict of interest records by some of its members and also financial malfeasance perpetrated under their tenure

The Minister of Water and Irrigation dissolved the Board of Directors on 30th October 2009 and appointed new one on 27th November 2009. The new Board have been instructed to uphold good government and ensure efficiency in resources utilization to achieve value for money and deliver on the targets. On 23rd July 2010 His Excellency the President appointed a new Chairman for the Corporation. It is expected that the new Board of Directors will provide the much needed leadership that will translate to good performance.

2. Kenya National Audit Office

- (a) The controller and Auditor General report on audited account for NWCPC for 2006/07 has raised concern on unsupported payment for Kshs. 40 million paid to the department of defence (DOD) for construction and rehabilitation of 5 dams and water pans and drilling of 17 boreholes in the North Rift Districts.

As at the time of the audit, the expenditure returns had not been received by the Corporation. However, DOD has since accounted for Kshs 32,889,768.70 which was used to construct/rehabilitate 7 No. dams/pans. The Ministry has written to DOD to either account for the remaining Kshs. 7,110,231.30 or refund. DOD later requested to be allowed to use the balance to restore supply to one of the water facilities (wind mill, pump, elevated tank and pipes in Lomelo pan-Turkana) which had been damaged by a rival community in East Pokot. The Ministry of Water and Irrigation gave the authority to DOD to spend the funds to restore supply.

- (b) The audit report for the financial year 2007/08 raised several issues on the weaknesses in the financial management and controls in the Corporation. The audit also captured the over expenditure of Kshs.219,316,658 on Sasumua Dam beyond the agreed contract amount.

On the over expenditure on Sasumua Dam contract, it has not been possible to verify it as the vouchers used were part of the documents that did not have backup in the server and were destroyed in the fire in September 2009. A team has been constituted to investigate the over expenditure.

The Corporation is implementing several changes that will address the identified weaknesses. The Board has dismissed several employees involved in the fraudulent practices. The financial systems are being strengthened and new accounting software has been procured which will be used by the next financial year after training staff.

- (c) The audit report for the financial year 2008/09 expressed doubts as to whether the Corporation would be able to fund the amounts allocated for the large dams. The report also raised the issue of the termination of the contract for the construction of the office block. Several issues relating to poor financial management were also raised.

There are four large dams currently under construction and the Government has continuously allocated funds for these dams and will continue to do so in the future until their construction is completed.

The Contractor for the new office block took the Corporation to court vide Suit No. HCC No. 312 of 2009 to challenge the termination of the contract on the ground that there were pending certificates of KShs 56,582,386. The Court ordered the Corporation and contractor to do a joint valuation to determine the value of work done by the Contractor. This was done and the assessment confirmed the contractor had done work worth KShs. 26,800,746.00 out of which the Corporation had already paid KShs. 22,004,100 leaving a balance of KShs 4,786,646.

The Corporation was ordered to pay the balance and this was done. The court injunction against the Corporation was lifted and Corporation allowed to procure a new contractor to complete the works. The process was initiated but did not continue due to the fact that the budget for construction of the headquarters was reallocated for drought mitigation.

In this financial year the Government has allocated Kshs.180 million towards the construction of the office block and procurement of a contractor has commenced.

(iv) Corruption Prevention

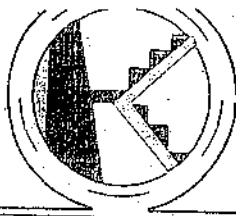
The good will and policy directive from Government to fight corruption has enhanced the Corporation's determination to deal with corruption related matters. This has seen the formation and operationalization of a Corruption Prevention committee and preparation of a Corruption Eradication Action Plan.

Senior managers at Corporation have also undergone one week intensive training on Corruption Eradication.

(v) Conclusion

We recognise that the capacity of NWCP needs to be improved in order to effectively carry out its mandate. Following the implementation of the water sector reforms under the framework of the Water Act 2002, there arose an overlap of the roles between the Water Services Boards which are involved in infrastructure development and NWCP which is involved in the development of state schemes. The Ministry, therefore, engaged a consultant to study and recommend a new role for NWCP in the reformed water sector. The report recommends that NWCP be in charge of development and management of large dams while the functions of drilling of boreholes and construction of small dams and water pans will be transferred to Water Services Boards. These recommendations are still being discussed with the new Board of Directors with a view to restructuring the operations of the Corporation.

With the changes made to the Board of Directors and management, the performance of the Corporation has already started to improve. The new team is determined to transform the Corporation into a centre of excellence that will deliver its mandate



Kiri Consult Limited

Civil, Structural, Project Management
& Environmental Consultants

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Email: info.kiri@jambo.co.ke
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APG

Our Ref: NWCPC/UMAA-SP/VOL.1/410

September 9, 2010

The Managing Director
National Water Conservation and Pipeline Corporation
P. o. Box 30173-00100
NAIROBI.

Dear Madam,

RE: CONTRACT NO. NWC/HQ/20/08-09 – PROPOSED CONSTRUCTION OF
UMAA DAM PROJECT IN KITUI DISTRICT

Control of Escalation on contracted projects

Your letter ref NWC/MD/00/1/VOL.1/ (140) of 3rd September 2010 in which you highlighted the need for the Engineer's Representative to exercise due diligence and ensure that projects are implemented within the contract sum and duration refers.

According to various clauses of our TOR under cl 2.2.3, our responsibility is limited to informing and advising the client of any expected situation which might affect timely completion of the works and the expected cost implication and not to guarantee adherence to the contract sum and period.

We wish to reaffirm that we have always exercised due diligence in our duty as required under the Contract. On the above issues, we have continuously informed your office of the status of the project through the Monthly Progress Reports and the periodic site meetings. On financial implication we have prepared and submitted financial appraisals giving the expected final cost of the project. All these are submitted to you for your information and necessary action.

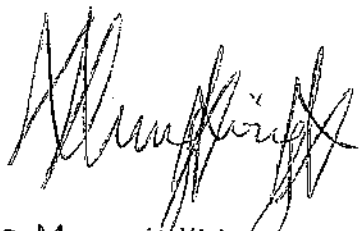
Please be informed that the cause of the escalation of costs is mainly due to the changes brought about by the Client e.g. change in location of treatment works and the increase in size of the diversion channel. The other major cost was due to the extensive grouting which was necessitated by the severely fractured rock encountered in the dam foundation. The grouting design was approved by the client. In all these cases we have implemented the approval as stipulated in the Contract.

The last financial appraisal submitted to you informed that the contract sum is expected to exceed by about 30%. In view of the 15% acceptable variation, we recommended that some items should be scaled down or omitted altogether and the sequencing of the programme be altered to allow for the completion of the project in a way that the main

objective of the project is achieved. This report was discussed with you and agreed. Your written approval is awaited to allow us issue appropriate instructions to the contractor. As the project progresses, we will continue informing and advising you so as to keep the project within the acceptable government financial regulation limit of 15% of the Project Contract Sum.

We promise to comply as stipulated in the Contract.

Yours faithfully,



Eng. Mungeria Kirimania
MANAGING DIRECTOR

CC: Eng. David .N .Stower, CBS, OGW,
Permanent Secretary
Ministry of Water & Irrigation
p.o.box 49720 - 00100
NAIROBI

Eng Geoffrey N. Mang'uriu
Chairman
National Water Conservation & Pipeline Corporation
p.o.box 30173 - 00100
NAIROBI



National Water Conservation & Pipeline Corporation

"Water is Life"

Telephone: Nairobi 556600/1/2/3, 531044/6
Fax: 531049

Managing Director's Office
Dunga Road
P.O. Box 30173, 00100 GPO
Nairobi,
Kenya

AL 7

When replying please quote

Ref. No. NWC/FAD/FIL/08/VOL.VII/(373)

4th September, 2008

M/s Draft & Develop Engineers Co.
P. O. Box 2557 - 00100,
NAIROBI.

Dear Sir,

RE: CONSTRUCTION OF LARGE DAM PROJECTS

Letter of Invitation

Following your successful application for pre-qualification, you are hereby invited to bid for the Construction of large dams namely:-

Badesa Dam	Marsabit District -	Tender No.NWC/HQ/06/2008-09
Umaa Dam	Kitui District -	Tender No.NWC/HQ/07/2008-09
Kiserian Dam	Kajiado District-	Tender No.No.NWC/HQ/08/2008-09

Bidding documents may be obtained from the procurement office, National Water Conservation and Pipeline Corporation along **Dunga Road free of charge.**

Completed tender documents marked with relevant tender No. enclosed in a plain sealed envelope should be delivered to the address below:-

**The Managing Director,
National Water Conservation and Pipeline Corporation,
P.O. Box 30173 - 00100,
NAIROBI.
Kenya.**

**Tel: 556600/1/2/3
Fax: (020) - 531049**

ANNEX 3 – PRETENDER SITE VISITS

PRETENDER SITE VISITS TO LARGE DAMS

Pretender Site Visit Kiserian dam - 8th September 2008

- 09:00 am - Departure to Kiserian dam site -
- 09:00 - 10:00 am - Arrival at site
- 10:00 - 12:00 pm - Tour around site with the contractors
- 12:00 - 01:00 pm - Questions and answer session
- 01:00 - Guests leave at their own pleasure

Pretender Site Visit Umaa dam - 9th September 2008

- 07:00 am - Departure from Nairobi to Kitui Town
- 10:00 am - Arrival at District Water Office
- 10:30 - 12:30 pm - Tour around site with the contractors
- 12:30 - 2:00 pm - Questions and answer session
- 02:00 pm - Guests leave at their own pleasure

Pretender Site Visit Badasa dam - 10th - September 2008

- 07:00 am - Departure from Nairobi to Marsabit Town
- 9:00 am - Arrival at Marsabit Water Office
- 9.00 - 9:30 am - Departure to Dam site
- 9:30 - 11:30 pm - Tour around site with the contractors
- 11300 - 12:30 pm - Questions and answer session
- 12:30 pm - Guests leave at their own pleasure



AP. 6

REPUBLIC OF KENYA

NATIONAL WATER CONSERVATION
& PIPELINE CORPORATION

UMAA DAM PROJECT CONSTRUCTION WORKS
TENDER NO. NWC/HQ/20/08-09

QUANTITIES APPRAISAL AND FORECAST

AUGUST 2010



The Managing Director
National Water Conservation & Pipeline
Corporation
P. O. Box 30173 – 00100
NAIROBI, Kenya



Kiri Consult Limited
P. O. Box 4125 - 00506
NAIROBI, Kenya

CONSTRUCTION OF UMAA DAM:

CONTRACT No. NWCPC/HQ/07/08-09

FINANCIAL APPRAISAL

1. OBJECTIVE OF THE FINANCIAL APPRAISAL

This proposal is presented to the employer to

- To appraise the project and notify the employer (engineer) on the variations to the quantities and their financial impact on the project

2. PROJECT BACKGROUND

Construction of Umaa Dam in Kitui District commenced in January 2009. This is the cumulation of a design process that was initially carried out by the then Ministry of Water Development in 1992.

The dam is being constructed with funding from the Government of Kenya- Ministry of Water and Irrigation. NWCPC will be responsible for the construction supervision. Upon completion, the assets will be transferred to TANATHI Water Service Board in line with the provisions of the current Water Act.

Umaa dam site is located on the Nzeu River, immediately downstream of the confluence of Mukoleyka and Muvati rivers. It is located about 7 km northeast of Kitui town centre in Kitui District, Eastern Province Kenya. Kitui town is located 200kms to the East of Nairobi city

Currently, Kitui town's only source of water is from Masinga dam some 70 km away. On completion in early 2011; this project will inject an additional 2500m³ of potable water per day to Kitui town and its environs. These efforts will go a long way in ensuring that the Government maintains its obligations to improve water availability to its people

The full scope of works incorporates a 28m high dam, a new water treatment plant, pump house, administration block, staff houses and a pumping main to bring the treated water to an existing tank

At 28m high Umaa is classified as a large dam. It has a crest length of 182m long 7m wide impounding a reservoir of 870,000m³. The sizing and height of the dam have been informed by the capacity of the catchment area totaling 6.3 km² as well as the maximum rainfall in this catchment

This is a 24 month contract with start date of January 2009 and expected completion date of February 2011. To date the project time lapse is 83% of the contract of the contract time.

The contract sum is ksh 824,457 120.49 so far expended as below

• Advance payment (IPC No. 1&2)	Ksh 69,990,713.61
• IPC No. 3, 4,5,6,7,8,9,10	Ksh 508,961,458.00
• Advance Recovery to date	Ksh 69,990,713.61
• Cumulative Retention amount	ksh 48,338,666.90

The contract sum breakdown from a global perspective is presented in table A below

A. GLOBAL					
A1	Contract sum (ksh)		824,457,120.5		
A2	Contract sum nett of 16% vat (ksh)		710,738,897.0		
A3	Contract vat amount (ksh)			113,718,223.5	
A4	Cost of works (ksh)		601,047,693.0		
A5	Amount left for cont(10)/vop-7.5 (float)(ksh)	A2-A4		109,691,204.0	
A6	15% of cost of works* (ksh)	15% of A4			123,668,568.1
A7	vop/vo amount +15% (max float possible)(ksh)				233,359,772.0

The sum presented under A7 represents the maximum possible amount available within the allowable limit under the Government regulations considered under A6

3. BACKGROUND ON SOURCES OF QUANTITIES ESCALATION

3.1 CHALLENGES FACED ON THE PROJECT

There have been several challenges faced on the project to date which have resulted in increase in the measured work over the provisions of the original Bills of Quantities. At the time of tender and in the absence of the projects factual report, the consultant had indicated in his methodology statement that some re-design of the dam site during construction would be necessary after the "opening up" of the dam area by the contractor in the interest of dam safety. A breakdown of the various bills and how the amounts have been arrived at is presented in the appendix. Here below are brief explanations of the constitution of each bill variation.

3.1.1- BILL NO 1: PRELIMINARY & GENERAL ITEMS

The variations in bill no 1 arose out of the need to accommodate costs not initially factored in relating to accommodation allowances, core drilling, laboratory set up and maintenance and other provisional sums necessary to ensure complete facilitation of the engineer's attendance to the works. This variation was approved by the employer

3.1.2 -BILL NO 2: DAM EMBANKMENT

This variation consists of principle items in grouting, diversion channel, spillway and additional excavations in rock and soils in spillway, diversion and core trench

- a) **Grouting:** At the time of commencement and in the absence of the factual report, it was not possible to accurately ascertain the earthworks quantities and grouting works required. The BOQ quantities for grouting were estimated from the little available information from the MOWI design report at 450m. On commencement and after consultation with the employer, core drilling was conducted at various locations on the dam. The results of the geotechnical investigations revealed a fractured nature of underground formation. This necessitated the need for more intensive grouting to prevent water losses through seepage and accordingly also enhance dam safety.

Arising thereof, the grouting quantity increased to a projected 2020m. This is without the inclusion of the racking holes. The grouting is ongoing in the critical sections to facilitate progress while the issues of extra costs are being addressed. So far about 1600 m has been completed.

The projected cost increase is ksh 150,000,000. This is the source of the largest increases under the bill no 2

- b) **Diversion Channel:** The diversion conduits were originally a twin barrel pipe. At time of review, this was converted to a box culvert to convey the outflow pipe and scour pipe measuring 2.9 by 2.1 box culvert that starts at the base of the draw-off tower within the dam and joining a dry well intake tower structure. In May 2009, after a visit to review the technical progress review of the position by the dam experts, it was suggested that the size be increase to 3.45m x 3.4m culvert to create adequate working environment in the tunnel for the maintenance teams. It was also resolved to keep the Diversion Channel dry while maintaining the tower in its original "wet" structure form and dimensions
It is noted that other dams have twin box culverts to serve this purpose.
Arising thereof, there were increases in concrete, steel, formwork, water bars and excavation in both soil and rock. The diversion channel is 98% complete and the increases in attendant quantities paid out as measured work

- c) **Spillway:** Increase in quantities of rock soil as above in order to reach firm ground upon which to fix the foundation. Extra quantities of fill-in concrete to finish blinding level as per original design drawings necessary to maintain hydraulic efficiency of water flow i.e to avoid very steep sections.
Where rock was encountered in the spillway, its volume far exceeded the quantities allowed for.
In the spillway, the excavation along the spillway alignment was established to require deeper excavation that anticipated in soft soil. To maintain the geometry of the spillway and its water conveyance properties, fill in concrete had to be effected. Similarly, the length of the spill way was extended by a limited margin. The steep slope on the middle section also increased the plano metric length of the spillway. Formwork to sides of walls

3.1.3-BILL NO 3: TREATMENT WORKS

Original site of the clear water tank was found to have soils of insufficient capacity to support the tank at the required design invert level. To move the clear water tank while maintaining the head difference between treatments units processes to guarantee a gravity operation from the intake to clear water tank made it necessary to repositioning of all the unit processes while fixing the inlet and outlet for each unit.

Whereas this was achieved, there were attendant increases in excavation of both rock and soil in the filters, Sedimentation tank, flocculation unit and Clear water tank. Additionally support structures had to be incorporated to support the structures at design invert level on a sloping terrain for the flocculation unit i.e columns and retaining walls. Hence attendant increase quantities and costs for the flocculation unit

3.1.4-BILL NO 4: ROADWORKS

Increase principally due to earthworks necessary to reduce gradient of road between chain age 0+000 and 0+ 100.

3.1.5-BILL NO 5: ADMINISTRATION BLOCK

Increases attributed to changes in the sub- structure which necessitated going to deeper excavation to reach to reach firm ground for the foundation as well increased earthworks necessary to level out the site area on the steep slope. Other minor increase is in the provision of the terminal housing and switch for the incoming power and extra reinforcement in the structural members in beams and columns dictated by onsite conditions

3.1.6-BILL NO 6: STAFF HOUSES

Same reason as Bill no 5 above with regard to the substructures. Transfer of bill total summary to page collection for the junior staff houses in terms of quantities resulted in summation error of 4 units. The arising variation is largely due to this oversight ~~XXXX~~

3.1.7-BILL NO 8: PUMP HOUSE

Increase in earthworks as for treatment works above (extra excavation in rock and soils due to revision of location while maintaining the need to fix the design invert). Being a structure on two levels, the lower level walls were revised to act as retaining walls with attendant increases in steel, concrete and formwork quantities.

3.1.8-BILL NO 9: ELECTRICAL

The revision of the layout and enhanced security lighting points along the fencing led to a variation.

Employer Additionally an amount of ksh 2,389,833 was approved by the employer early in the contract for provision of power to site for the ultimate consumption by the new treatment and dam facilities when completed. ~~XX?~~

Bills no 7, 10 and 11 have had no variations. Supporting data by bill is provided in appendix A which gives a detailed breakdown of the quantities variation and their financial implication. The tables also show areas where saving are to be realized

Arising out of the above and presented in Table B below is the financial position by Bill No showing the quantities variation effect of the project sums.

The total amount arising out of quantities variation is ksh 313,909,606.30

The largest increase in bill No 2 principally due to the effect of grouting (escalation by 1500m approx generating ksh 151,000,000 and spillway fill in concrete quantities

B1	BILL No.	VALUE OF EXTRA WORKS	KSH	
B.1.1	1	preliminaries	33,899,800.0	*
B.1.2	2	Embankment	254,865,412.0	**
B.1.3	3	Treatment works	5,946,786.0	
B.1.4	4	Road works	3,435,640.0	
B.1.5	5	Administration block	646,016.0	
B.1.6	6	Staff Houses	5,117,920.0	
B.1.7	7	Pipe work	-	
B.1.8	8	Pump house	2,691,225.0	
B.1.9.1	9	Electrical	4,916,924.0	
.1.9.2			2,389,883.3	***
B.1.10	10	Ancillary works	-	
B.1.11	11	Dayworks	-	
B2		TOTAL	313,909,606.3	

* approved variation to bill No 1

** Largest contribution from grouting at 150,000,000 for additional 1500m

*** Approved variation for delivery of KPLC power to site for long term project use

3.1.9 -OTHER ANTICIPATED AREAS WITH COST IMPLICATION

Other areas where works /issue with cost implication that are anticipated are;

- a) **Lighting and mechanical ventilation in diversion** due to the " bottom dry-top wet nature of the diversion canal-intake tower- it is considered prudent to provide ventilation and lighting facilities for the structure .
- b) **Municipal charges in lieu of transport of soil from kwa Vonza to the dam site:** Discussions between the employer with the municipal /county council are ongoing on how to resolve this matter. A provisional sum of ksh 3,000,000 is provided for as a contingency amount
- c) **Instrumentation:** the need to enhance dam monitoring to meet international standards and requirement for large dams. Taking note of the results of the

geotechnical investigations, the dam instrumentation was upgraded, discussed and agreed upon with the dam experts. However, the extra instrumentation increased the bill item amount. It must be noted that installation of dam monitoring instruments is a specialized line of work for which specific expertise must be sought A way forward is being sought on how to deal with this matter with the option of direct involvement of purchase by the client. However, an amount of ksh 23 million has been provided

- d) **VO/VOP:** a provision of ksh 15 million is made to cater for any unforeseen issues that may arise in the near future

These amounts are summarized in table C below

C C.OTHER AREAS TO BE CONSIDERED		
C1	LIGHTING AND MECH VENTILATION IN DIVERSION	4,000,000.0
C2	KITUI MUNICIPAL CHARGES	3,000,000.0
C3	INSTRUMENTATION	23,000,000.0
C4	PROVISION FOR PROJECTED VO/VOP	15,000,000.0
	TOTAL	45,000,000.0

4.0 APPRAISAL SUMMARY

The SUMMARY SHEET 1 presented below gives monetary position taking into account the global and value of extra works presented in table B

SUMMARY SHEET 1: NETT COST		
F.1	From A5: vop/contingency sum	109,691,204.0
F2	From B2: Total of extra works and projected major works	313,039,973.3
F3	NETT AMOUNT (F1-F2)	(203,348,769.3)
F4	FROM A6: AMOUNT FROM MAX OF 15% OF CONTRACT SUM	123,668,568.1
F5	NETT AMOUNT (F3-F4)	79,680,201.20

There being a gap between the financial as shown in F5 of ksh 79,680,201.20. To reduce the gap, suggestions are presented in table G under scenario 1 which can reduce the deficit by ksh 65.9 million bring the project cost to within the allowable 15% of project cost threshold

The area suggested for consideration and the accruing amounts in terms of savings are highlighted in table G below. This will mean downscaling some of the works to be able to concentrate on the dam works and treatment.

G-SCENARIO 1 -POSSIBLE COST REDUCTION AREAS

BILL	DESCRIPTION	POSSIBLE AMOUNT TO BE SAVED (KSH)
Bill No. 2	Rationalize spillway- omit stilling basin area	9,000,000.00
Bill No. 2	Rationalize spillway- reduce height of spillway channel where possible	2,000,000.00
Bill No. 2	Through negotiations reduce amount under instrumentation	6,000,000.00
Bill No. 4	Omit balance of items under bill no 4- roadworks	8,148,500.00
Bill No. 4	Delete extra works under bill No 4	3,435,640.00
Bill No. 9	Reduce extra works under electrical items	2,400,000.00
Bill No. 10	Omit landscaping and other minor works	1,000,000.00
Bill No. 11	Savings from bill No 11	30,000,000.00
G.1	SUB TOTAL -SAVINGS FRM SCENARIO 1 SITUATION	61,984,140.00

Hence considering the input from cost reduction areas, the nett balance (of difference of nett costs and total of savings) is thus ksh 17,696,061.20

This amount is to be met from further savings suggested below

SCENARIO 2*(what if scenario/requires comprehensive discussions with all stakeholders

a	Delay further works on treatment works and shift funds to embankment	15,000,000.00
b	Volumetric savings of revised core /shell material	10,000,000.00

Further areas of reduction areas are suggested under scenario 2 in the appendix. However these suggestions require comprehensive review by the employer, the dam experts and the consultant before they can be considered for adoption to carefully evaluate the consequences

In order to realize this plan it is further suggested that the items listed under table C be sourced from outside this contract.

Considering the above it will thus be prudent to seek additional amounts in lieu of the contingency amount proposed under table c to cover this in its entirety

5. WHAT IS REQUIRED TO COMPLETE THE DAM EMBANKMENT

We have projected the outstanding works in respect of the dam taking into account the work done to date. The amounts required to complete the key elements of the dam are tabulated as follows

	Description of dam element/activity	Approximate cost (ksh x millions)
1	Transport of core from kwa vonza, filter material	143
2	Placement and compaction of soils on embankment	99
3	Place rip rap on embankment, Trim sides,	19
4	Diversion culvert and intake tower	3
5	Spillway	44
6	Instrumentation (for the 5 No. provided in the BOQ)	5

It is required that NWPC confirms that this amount falls within the range available under the revised budget for the project in this financial year

To be able to complete the embankment under the current financial situation, It is recommended that the focus on construction activities be shifted to the 5 principle elements of the dam as a priority namely

- completion of grouting
- completion of the Diversion culvert and intake tower base
- coffer dam
- instrumentation at least the 3 base piezometers
- random fill
- dam core
- spillway wall (right hand side facing downstream)

These activities should take precedence over the other works currently being executed Activities on the other sections as detailed in the table below can be deferred as need may arise

This table shows the value of pending works on other bill items except for bill No 2. The build up is based on

- a) column 3: (bill summary amount - certified work to bill no 10) + value of pending works
- b) column 4: column 3 - savings from table C

From the table it will be possible to place emphasis and direction in consultation with the client to prioritize the works to be undertaken under the revised budget

BILL NO.	DESCRIPTION	TOTAL PROJECTION-BALANCE ON BOQ+VALUE OF PENDING WORKS	ACTUAL COST TO COMPLETION
		KSH	KSH
1	Preliminary and General Items	11,573,711.97	11,573,711.97
3	Treatment Works	19,475,986.10	19,475,986.10
4	Roadworks	11,584,140.00	0.00
5	Administration	1,294,190.00	1,294,190.00
6	Staff Houses	1,885,390.00	1,885,390.00
7	Pipelines/Pipeworks	11,025,112.00	11,025,112.00
8	Pump & Ancillaries	7,460,517.00	7,460,517.00
9	Electrical installations	5,609,715.72	3,209,715.72
10	Ancillary Works	6,843,912.00	5,843,912.00
11	Dayworks	31,940,050.00	1,940,050.00
12	TOTAL	108,692,724.79	63,708,584.79

AL 9



National Water Conservation & Pipeline Corporation

"Water is Life"

Telephone: Nairobi 556600/1/2/3, 531044/6
Fax: 531049

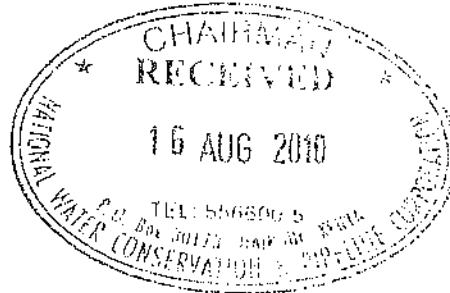
Managing Director's Office
Dunga Road
P.O. Box 30173, 00109 GPO
Nairobi,
Kenya

When replying please quote

Ref. No. **NWC/MD/00/8/VOL.II/(37)**

30th July, 2010

Eng. David Stower, CBS, OGW,
Permanent Secretary,
Ministry of Water & Irrigation,
P.O. Box 47920,
NAIROBI.



Dear

RE: APPEARANCE BEFORE DEPARTMENTAL COMMITTEE ON LANDS AND NATURAL RESOURCES

Reference is made to your letter Ref. MWI/FIN/3/62 VOL VII(27) dated 19th July, 2010 on the above subject.

Please find enclosed, a report on the progress made by National Water Conservation & Pipeline Corporation regarding various matters pertaining to governance and portfolio performance.

Yours faithfully,

Eng. P. A. OGUT (Ms)
Ag. MANAGING DIRECTOR

Encls.

n.o.o.

copy to:-

✓ **The Chairman – NWCCPC Board,**
NAIROBI.



AP 10



Kenya Water and Sanitation CSO's Network

C/o The Kenya Alliance of Resident Associations (KARA)
P.O. Box 1411-00100, Nairobi
Tel: 254-020-3874331/3873828
Fax: 254-020-3862872
Cell: 0733779585

Kabarnet Lane, off Kabarnet Road
off Ngong Road
Email: kwasnet@kara.or.ke
Website: www.kwasnet.org

CONFIDENTIAL

21 July, 2010

(0722-520280)

Mr. Joseph M. Nzesya
Chief Executive Officer
Tanaithi Water Services Board
KITDP Building
Kalawa Rd
KITUI

Dear Joseph,

RE: REQUEST FOR CLARIFICATION

IS:

As you may be aware, Kwasnet brings together over 40 member Civil Society Organizations working in the water, sanitation and hygiene sector. Principally, Kwasnet exists to promote good governance standards within the sector. The network, whose secretariat is housed at The Kenya Alliance of Resident Associations (KARA) has continued to actively engage with various sector institutions such as yours since its inception in August 2007.

We write to seek your kind and urgent clarifications on your various procurement and governance challenges as highlighted within the WASREB intriguing 17 page inspection report titled "Inspection Report for Tanaithi Water Services Board (TAWSB) and its Agents" dated March 2010;

- (a) Your response to the various serious allegations leveled against TAWSB. A case in point is page 4 of the report which states that " ... pipes worth Ksh10.9M procured for Nolturesh (WSP) bid received at Kathiani (WSP). On further enquiry, there was no proof of that magnitude undertaken at Kathiani and it was not clear how the pipes were utilized if ever they were procured." On page 7 of the report it reads, "... a set of hand tools was bought at 300% more than the prevailing market rate and a truck jembe was bought at Ksh1,500 against an average market price of Ksh. 360, a panga was bought for Ksh. 720 against an average market price of Ksh. 200 (Public Procurement Oversight Authority list of benchmarked prices) ...". On page 10, it reads " ...the board of directors expenditure

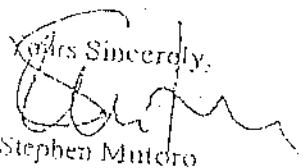
- for the last 6 months stands at 23% of ... and Maintenance expenditures. This is against the corporate ... guideline of less than 2%. The MD of the company and Tanathi W... are paid sitting allowance when they attend board meetings. It will be useful to clarify item 2.1 on duplication of roles between ... and ... specifically how the Ksh. 71,361,550 allocated to the Ministry of Water and Irrigation for the drought mitigation programme for 2008/9 was used and if the boreholes are operational and fully equipped.
- (b) Clarify details on your LPO to Kenmas Contractors and Suppliers Ltd Ref: TAWSB/100/09-10 of 23rd November 2009 of assorted pipes amounting to Ksh1,880,600.00. Why would a unit 3" (100mm) galvanized iron pipe cost Ksh. 10,152.00?
- (c) Clarify details on your LPO to Taru General Eng Ref: TAWSB/38/08-00 of 18th March 2009 amounting to Ksh 2,098,000.00
- (d) Clarify details on your LPO to Ebrahim Mohamed Kasam General Contractors Ref: TAWSB/164/09-10 of 25th November 2009 amounting to Ksh 1,942,200.00
- (e) Clarify details on your LPO to KICEBA (aka acronyms for Kitui Central Development Association?) of P.O Box 101111 (which we are informed is an NGO?) Ref: TAWSB/100/09-10 (curiously same as that of Kenmas Contractors?) and undated for supply of ... for Ksh. 640,000.00. Please read this together with item (k) as listed below.
- (f) Clarify details on your LPO to Timetray Ltd Ref: TAWSB/005/08-09 of 25th June 2009 for Ksh. 493,240.00
- (g) Clarify details on your LPO to Kat Mbeles Cons Ref: TAWSB/144/09-10 (not very visible) of 14th October 2009. The purchase of "executive shirts women", Caps, executive pens, carrier bags and ties supposedly procured leave a lot to be desired. The LPO is for Ksh 1,340,000.00
- (h) Clarify details on your LPO to ... Hardware General Agencies (not visible) and Ref: TAWSB/08 -10 of 15th April, 2009 for Ksh. 2,600,000.00 under "Kazi Kwa Vijana" vote.
- (i) Clarify details on your LPO to Kat Mbeles Cons Ref: TAWSB/144/09-10 of 14th October 2009 for Ksh. 800,000 each for "big" and "small" diaries at unit cost of Ksh. 2,500 and Ksh. 1,500 respectively. Again, why would diaries for 2009 or 2010 be ordered on a date such as 14th October?
- (j) Clarify details on your Local Service Unit (LPU) to Taru General Eng Ref: TAWSB/38/08-09 of 18th March 2009 for supply and installation of high lift pumps at pump station near ... at Ksh. 3,350,000
- (k) Clarify details on your LPO to KICEBA P.O Box 260 Kitui (is it an NGO?) Ref: TAWSB/005/08-09 of 7th July 2009 for supply of 180,000 supply of GI pipes and 8" heavy grade 6m diameter at a curious price of 100,000.00
- (l) Clarify details of the paid invoice dated 20th June 2009 to a firm (not clear) of Box 1088 Machakos (Syokimau Road) for supply of pipes amounting to Ksh. 9,861,000.00 with TAWSB "Paid" stamp by cheque no. 00234 together with another stamp and signature of an unidentified Kibwezi District Water Officer.

(m) Clarify your LPO to Timetrax Ltd (not visible) Nairobi and dated 17th February 2009. Again for GI Pipes at curious amounting to Ksh. 1,547,975.00 (not visible) for 65 pieces

(n) Clarify details on your LPO to Nakala Ventures (not visible) of no 28th May 2009 -- corrected by handwriting to a figure of Ksh 4,978,500 to read Ksh 3,974,200.00. According to a letter of 24th February 2010 from the Registrar of Companies addressed to Mr. Joseph Mutuku of P.O Box 1688 Machakos, the listed directors of the said Nakala Ventures are Mr. Joseph Mutuku Nzesya and Ms. Lucy Nduku Waema (whom we are informed is a civil servant working as Clerk to a local municipality with a P.O Box 2706-00200 Nairobi with 95% and 5% shares, respectively. Question: what is the relationship between Mr. Joseph Mutuku Nzesya, CEO, Taita Water Services Board and the said Mr. Joseph Mutuku Nzesya of Nakala Ventures? Are they the same person? And if yes, why would that happen?

From the selected details above, and read together with the WASREB Inspection Report of March 2010, it is clear that too many unnecessary G.I pipes were procured (and perhaps not delivered as partially suggested in the WASREB report) from almost the same firms namely Messrs Timetrax Ltd, TETA, Nakala Ventures, Tam General and Kat Michaels -- whose directors are said to be related to high ranking Ministry of Water and Irrigation officials.

We hope you will find it urgent, and in the process, offer your kind response. Thank you.

Yours Sincerely,


Stephen Mutero
Secretary General
KEWASNET - "Enhancing Good Governance in the Water Sector"

CC:

Hon. Mrs. Charity K. Ngilu, *EBS, MP*
Minister
Ministry of Water and Irrigation
Maji House
NAIROBI

Amb. Francis Muthaura
Head of Civil Service & Secretary to the Cabinet
Harambee House
NAIROBI

Dr. Mohamed Isahakia, *CBS*

Permanent Secretary
Office of the Prime Minister
NAIROBI

Eng. David Stower, CBS
Permanent Secretary
Minister
Ministry of Water and Irrigation
Maji House
NAIROBI

Mr. John Mbatia
Director/CEO
Kenya Anti-Corruption Commission
Integrity Centre
NAIROBI



Department of Registrar-General
P.O. Box 30031
Nairobi

Directors,
Makala Ventures Limited,
Box 1588
Nairobi

February, 2010

THE COMPANIES ACT (Cap.497)

Makala Ventures Limited,

re your letter dated 22ND February 2010,

the above company was incorporated on, 18th November 2009 and names of
shareholders from the current annual returns filed are as follows:

Name	Address	Nationality	Shares
Mutuku Nzesya	P.O. Box 2706-00200 Nairobi.	Kenyan	95
Mwaka Waema	P.O. Box 2706-00200 Nairobi.	Kenyan	5
		Total	100

Nominal share capital of the company is KSh 20,000/= divided into 1000 ordinary
shares of KSh 20 / = each

Yours faithfully

Assistant Registrar of Companies

6629-10m-2/2010



TANATHI WATER SERVICES BOARD

AP 91

LOCAL PURCHASE ORDER

Users are warned that this Order is INVALID unless availability of funds is confirmed here below at I/C/VBC.

APR GENERAL TENDER/QUOTATION PILED IN TANWSCB | 005 | 09-10
 CONTRACT REF. No.
 DATE 23.7.2009
 P.O. Box 1679 MILI

Use deliver the goods listed here below to (Full address)

back of this Order, on or before Immediately - MAEMILU/N.O.L TURSH
of the invoices immediately to Tanathi Water Services Board 0339

Item No.	Description of Goods	Quantity	Unit Cost		Total	
			Sh.	cts.	Sh.	cts.
	UPVC PIPE 15mm C/P	750	12,650	00	9,487,500	00
	GI 15mm C/P	50	29,895	00	1,494,750	00
K.S.C. 10,982,250 =						
VAT inclusive						
Total Sh.					10,982,250	00

TANATHI WATER SERVICES BOARD
PAYED
 CHEQUE NO. 000375

Signature: [Signature]
 Designation: CEO
 Date: 23/7/09

Vote: Development ATC
 Head:
 Sub Head: Item:
 V/C No:

I confirmed that funds are available and that commitment has been noted in the Vote Book.

Signature: [Signature]
 Accountant I/C VBC
 Date: 23/7/2009
 I acknowledge receipt of this Order
 (refer to the conditions of acceptance overleaf)

TANU GENERAL ENGINEERING & MECHANICAL ENGINEERING CONSULTANTS
 P.O. Box 7477 - 00101
 NAIROBI
 NO. 0394



INVOICE

GENERAL ENGINEERING COMPANY
CIVIL & MECHANICAL ENGINEERING

Dealers in: Civil & Electro-Mechanical Engineering Contractor and Hardware.

6-00500

Branch
 SyoKimau Road,
 P.O. Box 1088 - 90100
 Machakos

017

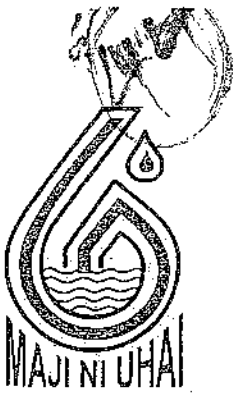
Date: 3/7/09

M/s. TANATHI WSP
 PVC BAG KIT, (

Qty	Particulars	@	Kshs	Cts
750	UPVC PIPES 160MM C/E	12,650/-	9,487,500	00
50	GE PIPES 150MM C/B	29,895/-	1,494,750	00
10,982,250/-				
<div data-bbox="422 1624 876 1926" data-label="Text"> <p>TANATHI WATER SERVICES BOARD PAYED CHEQUE NO. 158/09</p> </div>				
			Total	10,982,250.00

E&O.E

Accounts are due on Demand



National Water Conservation & Pipeline Corporation

“Water is Life”

Telephone: Nairobi 556600/1/2/3, 531044/6
Fax: 531049

Managing Director's Office
Dunga Road
P.O. Box 30173, 00100 GPO
Nairobi,
Kenya

When replying please quote

NWC/FAD/FIL/98/VOL.VIII/(16)

29th October, 2008

Ref. No.

M/s. Draft and Development Engineers Ltd
P.O. Box 75923-00200,
NAIROBI.

Dear Sir,

RE: NOTIFICATION OF AWARD:

TENDER NO.NWC/HQ/07/2008-09 - UMAA DAM PROJECT

This is to inform you that your tender for the construction of Umaa dam Project has been accepted.

The award is as follows:


Total Cost: KShs.824,457,120.49 (Eight hundred and Twenty Four Million, Four hundred and fifty seven thousand, one hundred and Twenty, Forty Nine cents).

Please note that this notification of award is subject to the following before your tender could be acceptable.

- (i) Your financial line of credit and availability of other financial resources to a minimum value of Kshs.100 million.
- (ii) Proof of the availability of plant and equipment.
- (iii) Proof of key personnel you intend to use on the project.
- (iv) That the corrected tender sum is inclusive of 10% contingencies, 7.5% VAT and 16% VAT.

Please confirm your acceptance of this award in writing within 14 days from the date of this letter.

Yours faithfully,


Eng. G. M. S. SANGWE
MANAGING DIRECTOR



**National Water Conservation &
Pipeline Corporation**

"Water is Life"

Telephone: Nairobi 556600/1/2/3, 531044/6
Fax: 531049

Managing Director's Office
Dunga Road
P.O. Box 30173, 00100 GPO
Nairobi,
Kenya

When replying please quote

Ref. No. NWC/FAD/FIL/VOL.VII/(85)

14th August, 2008

M/s Draft & Develop Engineers,
P.O. Box 2557 - 00100,
NAIROBI.

Dear Sir,

**RE: NOTIFICATION OF AWARD:
PRE-QUALIFICATION OF CONTRACTORS FOR CONSTRUCTION
OF LARGE DAMS**

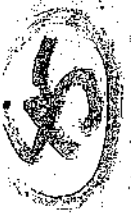
We are pleased to inform you that your pre-qualification tender for construction of large dams namely:- Badesa dam, Chemususu dam, Umma dam, Kiserian dam and Maruba dam has been accepted.

You will be required to (tender) bid competitively with other pre-qualified tenderers after the expiry of 14 days from the date of this letter.

Please confirm your acceptance in writing as soon as possible but not later than 22nd August 2008.

Yours faithfully,

F. Musakala
For: MANAGING DIRECTOR



116

Proof from the registrars office of the owners of Nakala Ventures

C106852



Department of Registrar-General
P.O. Box 30031
Nairobi

The Directors,
Nakala Ventures Limited,
P.O. Box 1688
Machakos

24th February, 2010

THE COMPANIES ACT (Cap.486)

RE: Nakala Ventures Limited,

I refer to your letter dated 22ND February 2010,

That the above company was incorporated on, 18th November, 2003 and names of directors/shareholders from the current annual returns filed are as follows:

Names	Address	Nationality	Shares
Joseph Mutuku Nzesya	P.O. Box 2706-00200 Nairobi.	Kenyan	95
Lucy Nduku Waema	P.O. Box 2706-00200 Nairobi.	Kenyan	5
TOTAL			100

The nominal share capital of the company is KSh 20,000/= divided into 1000 ordinary shares of Ksh 20 /=- each

Yours faithfully,

Assistant Registrar of Companies

GPK 6629-10m-2/2010

NO

THE COMPANY IS MRS. NGILU'S NCO. THE SAID GOODS WERE NOT SUPPLIED.



TANATHI WATER SERVICES BOARD

LOCAL PURCHASE ORDER

Suppliers are warned that this Order is INVALID unless availability of funds is confirmed here below the

Accountant I/C VBC.

To: KICEM TENDER/QUOTATION REF. No. FWSC/100/09-10
Box 260 - NAIROBI CONTRACT REF. No.
KWAP DATE

Please deliver the goods listed here below to (full address)
TANATHI WATER SERVICES BOARD - KWAP
Depd of Water Management

on the back of this Order, on or before Immediately
 and send the invoices immediately to Tanathi Water Services Board

Item No.	Description of Goods	Quantity	Unit cost		Total	
			Sh	cs	Sh	cs
1	LPVC RPR 225MM 'E'	50	12,800		640,000	00
	<i>(Handwritten: KSH 640,000)</i>					
	<i>(Handwritten: Val Inclusive)</i>					
Total Sh.					640,000	00

Signature: (Signature)
 Designation: CS
 Station: CS
 Date: 8/12/10

Vote: _____
 Head: _____
 Sub-Head: _____
 AAC No: _____

I confirmed that funds are available and that commitment has been noted in the Vote Book.

Signature: (Signature)
 Accountant I/C VBC
 Date: 8/12/10

acknowledge receipt of this Order
 after to the conditions of acceptance (overleaf)

suppl

E



TANATHI WATER SERVICES BOARD

* The company belongs to Ngilu's daughter. The goods described below were not supplied.

LOCAL PURCHASE ORDER

Suppliers are warned that this Order is INVALID unless availability of funds is confirmed here below the standard IC VBC.

KAT MICHAELS Cons. TENDER/QUOTATION REF. No. TANWSCB/144/09-10
P.O. BOX 51998-00200 CONTRACT REF. No.
NAH2051 DATE 14.10.2009

Please deliver the goods listed here below to (full address)
Tanathi Water Services Board - Kitui

ack of this Order, on or before Immediately
and the invoices immediately to Tanathi Water Services Board

Description of Goods	Quantity	Unit cost		Total	
		Sh	cts.	Sh	cts.
* Polo shirts Men	200	1000	00	200,000	00
Executive shirts women	200	2000	00	400,000	00
CAPS	200	1500	00	300,000	00
Executive pens	50	1800	00	90,000	00
Carrier bags	100	2000	00	200,000	00
Ties	100	1500	00	150,000	00
<div style="border: 1px solid black; border-radius: 50%; padding: 10px; display: inline-block;"> Kshs. 1,340,000 </div>					
VAT Inclusive					
Total Sh.				1,340,000 00	

[Signature]
CEO
12/10/09

Vote _____
Head _____
Sub-Head _____ Item _____
A/C No. _____

I hereby confirm that the goods are available and that confirmation has been noted in the Vote Book.

Account IC VBC
2/11/09

Receipt of this Order _____ supplier
Conditions of acceptance overleaf _____

NO. 0216

TANATHI WATER SERVICES BOARD

The company belongs to Ngilu's daughter. Goods not supplied

LOCAL PURCHASE ORDER

Suppliers are warned that this Order is INVALID unless availability of funds is confirmed here below the
 and VC VBC.

AT MICHAELS CONS TENDER/QUOTATION REF. NO. TanWB/144/09-10
 PO BOX CONTRACT REF. NO.
 NAIROBI DATE 14.10.2009

Please deliver the goods listed here below to (full address)
Tanathi Water Services Board - KITHI

of this Order, on or before Immediately
 the invoices immediately to Tanathi Water Services Board

Description of Goods	Quantity	Unit cost		Total	
		Sh.	cts.	Sh.	cts.
Dianes Small big	200	2000	00	500,000	00
Dianes long small	200	1500	00	300,000	00
Total Sh.				800,000	00

KShs. 800,000 =

VAT include

[Handwritten signatures and stamps]

Vote _____
 Head _____
 Sub-Head _____ Item _____
 AC No _____

has funds are available and that commitment has been noted in the Vote Book.

Signature of VC VBC _____
 Date _____
 receipt of this Order _____
 conditions of acceptance overleaf) _____
 Date _____



TANATHI WATER SERVICES BOARD

Company name is Ngatho Brothers Ngatho Goods were not supplied.

LOCAL PURCHASE ORDER

Suppliers are warned that this Order is INVALID unless availability of funds is confirmed here below pursuant I/C VBC.

15 TRAY LTD TENDER/QUOTATION REF. No. TANWB/005/08-09
Box 2013 CONTRACT REF. No.
NAIROBI DATE 25/6/2009

Deliver the goods listed here below to (Full address)
Vallu - WSP - OSM

Effective date of this Order, on or before
Invoices immediately to Tanathi Water Services Board.

Description of Goods	Quantity	Unit Cost		Total	
		Sh.	cts.	Sh.	cts.
G.I. Piler Medium grade c/b 3" φ	40 NO	10,156	=	1106,240	=
Piler Medium Grade c/b 2" φ	15 NO	5800	=	87,000	=
16% V.A.T. INCLUSIVE					
VAT		493,240			
Total Sh.				493,240 =	

[Signature]
25/6/09

Vote Dist. 27C
Head Instructional Support to WSP
Sub-Head _____ Item _____
A/C No. _____

Funds are available and that commitment has been noted in the Vote Book.

and I/C VBC
25-06-09

Receipt of this Order _____ Supplier
Conditions of acceptance (overleaf) _____ Date

NO. 0136

TANATHI WATER SERVICES BOARD

LOCAL SERVICE ORDER

The Company is owned by the C.E.O Mr. Nthasya. Crook were not supplied nor installed as stated.

pliers are warned that this Order is INVALID unless availability of funds is confirmed here below the Account.

NO GENERAL ENG TENDER/QUOTATION REF. NO. TANESB/38/08-09
 J. COX HERR CONTRACT REF. NO. 1
 DATE 18/3/2009

se carry out the services listed here below at (full address)
 K. S. S. O.

nd conditions on the back of this Order, on or before immediately
 invoices immediately to Tanathi Water Services Board.

Description of Service	Cost	
	Sh	cts
Supply and installation of high lift pump station no. 1 at Kima	3,850,000	00
<div style="border: 1px solid black; border-radius: 50%; padding: 10px; display: inline-block;"> K.S.S. 3,850,000 = </div>		
VAT INCLUSIVE		
Total Sh.	3,850,000	00

[Signature]
 18/3/09

Vote _____
 Head _____
 Sub-Head _____ Item _____
 A/C No _____

Is are available and that commitment has been noted in the Vote Book.

ICVBC

NO.

0052



TANATHI WATER SERVICES BOARD

Company belongs to Ngilu's brother. Goods not supplied.

LOCAL PURCHASE ORDER

Suppliers are warned that this Order is INVALID unless availability of funds is confirmed here below the LC VBC.

TIMETRAX LTD TENDER/QUOTATION REF. No. _____
BOX 2013 CONTRACT REF. No. _____
NAIROBI DATE **17-02-2009**

Please deliver the goods listed here below to (full address)
TANATHI WATER SERVICE BOARD - KITHI
MACHAKOS

of this Order, on or before **IMMEDIATELY**
the invoices immediately to Tanathi Water Services Board

Description of Goods	Quantity	Unit cost		Total	
		Sh	CS	Sh	CS
1 Pipes, medium grade (class 'B'), 6"	65PCS	23,815	00	1,547,975	00
Kshs. 1,547,975 =					
VAT Inclusive					
Total Sh.				1,547,975	00

[Signature]
H/O
17/2/2009

Vote **Development A/C**
Head _____
Sub-Head _____ Item _____
A/C No. _____

if funds are available and that commitment has been noted in the Vote Book

LC VBC
7/2/2009
receipt of this Order
(conditions of acceptance overleaf)

TIMETRAX LIMITED
P. O. Box 2013 - 00200
NAIROBI

NO. 0070 18/2/2009
copy to supplier
return
18/2/2009

use acknowledge



TANATHI WATER SERVICES BOARD

Company owned by the C.F.
Goods not supplied.

LOCAL SERVICE ORDER

Suppliers are warned that this Order is INVALID unless availability of funds is confirmed here below the Account DC.

TANATHI GENERAL TENDER/QUOTATION REF. No. TANWCS/38/08-09
 P.O. No. 1622 CONTRACT REF. No. _____
 Memorandum No. _____ DATE 18/3/2009

Please carry out the services listed here below at (full address)

Levuka

Terms and conditions on the back of this Order, on or before immediately
 the invoices immediately to Tanathi Water Services Board.

Description of Service	Cost	
	Sh.	cts.
Supply and installation of clean water pump capable of delivering 50m ³ hrs against 12m head of water. Pump to be coupled to suitable drive mechanism 115kw, 11kv and current 78.3 amps. ALL TO BE MOUNTED ON COMMON BASE FRAME.	2,098,000	00
<div style="border: 1px solid black; border-radius: 50%; padding: 10px; display: inline-block;"> V.C.S. 2,098,000 = </div>		
VAT INCLUSIVE		
Total Sh.	2,098,000	00

[Signature]

19/3/09

Vote.....
 Head.....
 Sub-Head..... Item.....
 A/C No.....

Amount is available and that commitment has been noted in the Vote Book.

Amount / C YBC

NO. **0051**

