

NEWS BUSINESS

SCANDAL?

Firms raise alarm over inflated Sh1.7bn systems tender at the Interior ministry

This is for security instruments and e-Gates to be installed at the Jomo Kenyatta International Airport

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Local and international firms have raised alarm over a "backdoor" deal at the Interior Ministry, which could see taxpayers lose millions in an inflated tender.

This is on the planned installation of a Passenger Information (API) and Passenger Name Record (PNR) systems at the Jomo Kenyatta International Airport (JKIA).

According to CS Kithure Kindiki, plans are underway to install an API system as well as e-Gates at the country's entry points, for easy profiling of passengers and convenience.

The systems, the CS said, will be critical in boosting the country's security and eliminating queues as passengers await their immigration stamps.

The APIS, PNR system and e-Gates will be installed at the Jomo Kenyatta International Airport (JKIA) as well as all ports of entry.

The systems will be integrated into the International Immigration system to enable authorities to screen passengers travelling in and out of Kenya and even those transiting through the country before they land.

The eVisa system is an easy way for travelers to submit their visa application and therefore facilitates the process of obtaining a traveler's visa.

"Besides being a major boost in assisting our immigration and security endeavours, this APIS system and e-Gates will eliminate queues at our immigration counters," CS Kindiki said.

Firms familiar with the tendering process have however raised alarm over the costs at which Kenya is getting the services at compared to other countries.



A section of the Jomo Kenyatta International Airport / JACK OWUOR

According to industry experts, the tender being pushed by some ministry officials and Geneva headquartered company SITA (Société Internationale de Télécommunications Aéronautiques), has been overpriced.

For example, in Brazil, a comparable service is offered by the company at an annual cost of BR\$ 1,733,342 Brazilian Real, equivalent to about \$362,000, documents seen by the Star show.

This is equivalent to Sh243.4 million.

In Kenya, the company is being given the same tender at \$12 million (Sh1.7 billion), per year for installations and maintenance.

Brazil receiving approximately 21 million international passengers annually, it is paying \$0.0172 cents per passenger or Sh2.42, plus the eVisa for \$0.30 cents (Sh42.135).

Kenya with around six million visitors will pay \$2(Sh281) per pas-

senger for the same services, raising questions over the deal and it's beneficiaries.

The eVisa system, which is included in the services, is among key issues being raised by the firms, which believe, could be offered at a competitive rate, if procurement process was open, fair, and transparent.

"The glaring question arises as to why the same services provided by the same company are 100 times more expensive in Kenya compared to other countries," the firms said in a communiqué seen by the Star. SITA, a multinational information technology company providing IT and telecommunication services to the air transport industry, is believed to be pushing for the deal to be done behind closed doors.

"There seem to be officials in the Ministry of Interior who are allegedly working to finalise the deal that could see taxpayers pay more than



FELIX KOSKEI

In line with the President's proclamation, it is hereby reiterated that those responsible for the management of public resources will be held personally accountable for any loss or misuse

the value of the services. This inflated tender must be addressed at a time when Kenyans are affected by high taxes and costs," a supplier who sought anonymity said yesterday.

SITA is said to have presented a significantly escalated cost for the API, PNR and eVisa services, despite their lower prices in other countries.

The firms want the deal scrutinised to save taxpayers from losses, in an economy that is struggling with rising debt that is undermining development in the country.

"There is a need for prompt inquiries regarding the individuals involved and their potential business connections with the government. Are there additional ventures that they have with the government, which may contribute to these irregularities?" another company said.

This also raises questions over fairness in the tendering process, which is said to have deprived local companies of an equitable opportunity, to participate in competitive bidding and transparency.

CS Kindiki did not respond to inquiries by the Star. The tender is the latest development that puts the government on the spot, even as President William Ruto vows to fight corruption.

A number of scandals have rocked the government in recent months among them the Sh3.7 billion tender for treated mosquito bed nets that was floated by the Kenya Medical Supplies Authority (Kemsu).

Kenya Bureau of Standards (Kebs) was also on the spot over a condemned sugar consignment that was diverted and released into the market. In May this year, President William Ruto issued a tough warning against corruption, saying public officers will take personal responsibility for graft that happens under their watch.

PLAN

Saccos key in driving savings culture in Kenya – Gachagua

JACKTONE LAWI/ The government has identified the Sacco's movement as a key driver in boosting Kenyans' savings culture.

This is among Kenya Kwanza's plan to set up a local pool where the government can borrow to meet its obligations.

The country like most African states has been suffering from chronic low savings rates, primarily attributed to financial illiteracy.

A Global Financial Literacy Survey showed that Kenya has alarmingly low financial literacy levels.

With a population of approximately 50 million people, only 38 per cent of Kenyans are financially

literate. In an effort to change this culture, Deputy President Rigathi Gachagua said Kenyans should embrace a saving culture, to cushion the government from foreign borrowing.

"We want to enhance the saving culture in Kenya so that we borrow our money as a country from our own savings. In the past, we have been borrowing money from foreign nations whose citizens have saved yet here we were not saving," said Gachagua.

He spoke during the 30th anniversary celebrations of Solution SACCOS.

The deputy president noted that

there are over 14 million people in cooperative movement in Kenya, which if tapped, can boost Kenya's saving culture.

He backed the move to increase NSSF contributions saying it was for the good of the country.

"We have changed the law, to allow you to save substantially, so I want to commend all those people who are saving so that they plan for their future," said Gachagua.

Kenya is currently ranked position one in Africa and seventh globally in the cooperative movement, according to the International cooperative alliance assessment. As of the end of February 2023,

SASRA regulated a total of 359-Saccos consisting of 176 Deposit Taking Saccos and 183 Non-Withdrawal De-

posit Taking Saccos, serving about six million Kenyans directly as members.



DP Rigathi Gachagua with other leaders cuts a cake during the 30th anniversary of Solution SACCOS /HANDOUT