

Q & A – Construction of Primary Health Care Facilities in Nairobi Informal Settlements

1. What was the primary goal of the project?

For a long time, many families living in Nairobi informal settlements had to travel long distances, mainly using public transport – incurring huge expenses and risking lives of patients to access health services either at Kenyatta National Hospital or Mbagathi and Mama Lucy hospitals which were already overwhelmed and could not satisfy the high health service demand from the populous county. Sad scenes of frail, but optimistic patients sitting in long queues for several hours to be attended to was the order of the day in these facilities.

The situation was worsened by the Covid-19 pandemic which necessitated additional facilities to cater for the increasing demand of health services. Having identified the problem, the Executive Office of the President proposed the project to construct and equip nineteen (19) facilities - ten (10) Level-Two and nine (9) Level-Three primary healthcare facilities to offer convenient, affordable, accessible and quality healthcare for the communities.

2. Why was Amref chosen as the procurement agent?

For the last 65 years, Amref Health Africa has been a strong partner of the government of Kenya in scaling-up and strengthening health care systems in the country, including setting-up a number of health care facilities in Nairobi informal settlements, running mobile-clinics and offering technical assistance to the Ministry of Health on health systems strengthening, as well as procuring on behalf of the government, in among other areas.

In view of the speed of execution needed, the government found it necessary to appoint a procurement agent. Amref, being a licensed procurement agent under license No. PPRA/PDA/2022/002 issued by the Public Procurement Regulatory Authority (PPRA), was appointed by the Ministry of Health to oversee the construction and equipping of the facilities.

3. Was there a clause allowing for sub-contracting between Amref and Megascope?

Amref was granted authority to use the Specially Permitted Procurement Procedure with all necessary approvals coming from the National Treasury. Amref then appointed a contractor, Megascope Healthcare, to construct and equip the 19 health facilities at a cost of **KES 839,486,602**.

Amref's agency fee was **KES 29,913,398**, bringing the total project cost to **KES 869,400,000**.

4. How was the procurement done for the project? How did Amref settle on Megascope as the suitable contractor for the project?

- Amref has robust procurement policies and systems which allow for competitive and single sourcing options. For this project, Amref reached out to the State Department of Public Works (SDPW) for recommended contractors. Megascope was picked based on their expansive experience in designing and executing similar projects for the government.

5. Why was Amref paid 100% of the value of the contract within 15 days of signing it?

- To mitigate against financial risk, the contract between the Ministry of Health (MoH) and Amref provided for a 100% upfront payment. This would guarantee completion of the project without financing hitches which are synonymous with government paid contracts.

6. Were there other risk management strategies deployed?

- To mitigate against project management risk, the State Department of Public Works (SDPW) supervised the project in addition to the Construction Coordinator employed by Amref to check on the quality of work and ensure value for money.

7. What is the status of completion of the project?

- Amref navigated challenges such as site readiness variations, non-existent infrastructure, and community engagement disparities, and successfully delivered and handed over sixteen (16) of the nineteen (19) facilities on various dates, with thirteen (13) of them handed over within twelve (12) months of the contract.

They are: Muthua-Uthiru, Ngundu-Kamulu, Karura Mwiki, Kwa Ndege Tassia, Kianda 42-Kibra, Our Lady of Nazareth- Mukuru Kwa Njenga, Maendeleo Learning Centre-Mukuru Kwa Reuben, Chief Camp- Githurai, Gatina-Kawangware, Ushirika-Dandora, New Mathare-Kiamaiko, Lower Savannah, Gichagi-Kangemi, Zimmerman, Ngomongo-Korogocho, Sinai-Viwandani.

One (1) additional facility, Lucky Summer is completed pending handing over to Nairobi City County Government.

The remaining two facilities - Majengo in Gikomba (Level Three) and Gumba in Mathare (Level Two), are progressing through different completion stages, having experienced delays due to various factors, and will be completed in due course without adjustments to the contract.

8. Why are some projects still ongoing while the contract was for 90 days without extension? What are the reasons for the delay?

Amref and the contractor experienced unforeseen challenges that included - site readiness variations, community engagement processes, non-existent infrastructure, changes in site locations and some of the sites were incompatible with the designs. However, the outstanding issues were resolved and construction has resumed.

9. Was there money lost in the project?

- No money was lost in the project.

10. What has been the impact of the project so far?

- The completed facilities are currently managed by the Nairobi City County Government and have collectively served 925,941 outpatient cases and facilitated 5,763 deliveries between 2021 and July 2023.