



KenGen
S t a f f R e t i r e m e n t
B e n e f i t s S c h e m e

TENDER NO. SRBS/TENDER/FIN-1/2017

TENDER FOR PROVISION OF TAX CONSULTANCY SERVICES

SEPTEMBER 2017

KenGen Pension Plaza 2,
11th Floor, Kolobot Road,
P.O Box 47936 - 00100,
Nairobi, Kenya.

TEL NO: 020 - 3666000

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**ALL CANDIDATES ARE ADVISED TO READ CAREFULLY THIS TENDER DOCUMENT IN ITS ENTIRETY
BEFORE MAKING ANY BID**

**KenGen Staff Retirement Benefits Scheme
Invitation to Tender for Provision of Tax Consultancy Services, 2018 - 2020**

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INVITATION TO TENDER

TENDER NO. SRBS/TENDER/FIN-1/2017 FOR REQUEST FOR PROPOSAL OF PROVISION OF TAX CONSULTANCY SERVICES.

KenGen Staff Retirement Benefits Scheme Requests for Proposals from interested and eligible candidates to submit proposals for proposal of provision of Tax Consultancy services.

1. Complete set of tender document are here below but may also be obtained by downloading from the KenGen Staff Retirement Benefits Scheme website; www.kengensrbs.co.ke
2. Completed Tender Documents in sealed envelopes marked with the tender number and title are to be deposited in the Tender Box located next to the lift lobby located at KenGen Pension Plaza 2, 11th Floor, Kolobot Road, Nairobi, so as to be received on or before **Friday, 29th September, 2017 at 1400 hrs.**
3. Prices quoted should be global sums inclusive of all taxes and delivery costs, must be expressed in Kenya shillings and shall remain valid for a period of 90 days from the closing date of the tender.

**KenGen Staff Retirement Benefits Scheme
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1. Introduction and Background

- 1.1 KenGen Staff Retirement Benefits Scheme is a Defined Benefit Scheme established under irrevocable trust. The total Scheme membership stood at 1,462 consisting of in-service members, deferred members and dormant members as at 30th June 2017. The retired pensioners are 483 in number for the same period.
- 1.2 The Trustees of the Scheme are reviewing their Tax Consultants and seek proposals from consultants for a fund of approximately Kshs 8.1 billion. The Tax consultant will be responsible on scheme tax matter relating but not limited to guiding & advising on tax matters, filling scheme tax returns, providing tax calculations and seeking guidance from tax authority on scheme behalf. The monthly contributions under the Scheme currently amount to approximately Kshs.5.0 million. The DB scheme is closed to new members.
- 1.3 The Scheme will select one firm among those invited to submit proposals, in accordance with the method of selection set out in this Request for Proposals (RFP) document.
- 1.4 The bidders are invited to submit a Technical Proposal and a Financial Proposal, for Scheme Tax Consultancy services as specified in this document. The proposals will be the basis for negotiations and ultimately for a signed Contract with the selected firm(s).
- 1.5 To obtain information on the Scheme or to seek any clarifications, bidders are requested to liaise with the Trust Secretary before submitting a proposal.
- 1.6 At any time prior to the deadline of the submission of tenders, the Board of Trustees, for any reason, whether at its own initiative or in response to a clarification requested by a prospective bidder, may modify the tender documents by issuing an addendum. All prospective bidders who have obtained the tender documents will be notified of the amendment by post or email and such an amendment will be binding on them. The Board of Trustees, at its discretion, may extend the deadline for submission of tenders.
- 1.7 The tenders shall remain valid for **90 days** after the date of tender opening. A tender valid for a shorter period shall be rejected by the Trustees as being non-responsive.
- 1.8 Please note that:
 - (i) The costs of preparing the proposal and of negotiating the Contract, including any visits to the Scheme office shall be met by the bidder;
 - (ii) The Trustees are not bound to accept any of the proposals submitted.

2. Objectives of the Assignment

- 2.1 The main objective of this assignment is to ensure that the Scheme together with its affiliates is compliant with all tax matters as required by the tax authority.
- 2.2 The key areas to be addressed by the selected Tax Consultant (s) include:
- i. Provide legal advice on tax related issues on a regular basis, as and when required;
 - ii. Advise on legislative developments concerning tax treatment of contributions by Scheme members and pay out to beneficiaries
 - iii. Provide actionable recommendations on tax treatment for various pay in and pay out items of the Scheme.
 - iv. Assist in giving tax adjustments, wherever applicable.
 - v. Deal with relevant Tax Authorities if and when required.
 - vi. Advise on Withholding Tax and Value Added Tax statements for all transactions carried out by the Scheme
 - vii. Deal with other related tax issues as and when they arise

3. Preparation of Proposals

The Technical Proposal

- 3.1 In preparing the Technical Proposal, bidders are expected to thoroughly examine the contents of this RFP. Material deficiencies in providing the information requested may result in rejection of a proposal.
- 3.2 The original proposal shall be prepared in indelible ink. It shall contain no interlineations or overwriting, except as necessary to correct errors made by the firm itself. Any such corrections must be countersigned by the person(s) authorized.
- 3.3 While preparing the Technical Proposal, bidders must give particular attention to the following:
- i. Each firm is expected to present its own bid without associating with other firms. Joint bids will automatically be disqualified.
 - ii. All key professional staff proposed for this assignment must be permanent employees of the bidding firm.
 - iii. Proposed professional staff must as a minimum, have the relevant experience in tax consultancy matters.
- 3.4 The Proposal shall provide the information requested in Sections 7 to 9 of this RFP.

The Financial Proposal

- 3.5 The Financial Proposal shall provide the information requested in the financial bid. The global tender sum shall be quoted in Kenyan Shillings.

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4. Submission, Receipt and Opening of Proposals

- 4.1 The bidders shall prepare two sets of each bid. Each Technical bid shall consist of one original marked “**original**” and one copy each marked “**copy**”. Likewise, each Financial bid shall consist of one original marked “**Original**” and one copy marked “**Copy**”. If there are any discrepancies between the original and the copy of the bids, the original shall prevail.
- 4.2 The original and the copy of the Technical Bids shall be placed in a sealed envelope clearly marked “**Technical Bid**” and the original and copy of the Financial Bids shall be placed in a sealed envelope clearly marked “**Financial Bid**”. The envelope containing the Financial Bid must clearly state the name and address of the bidder. Both envelopes shall be placed into an outer envelope, marked and sealed.
- 4.3 The Proposal shall be placed in an outer sealed envelope clearly marked “**Proposal For Provision of Tax Consultancy Services**”. The envelope shall bear the following submission address:

CEO & Trust Secretary
KenGen Staff Retirement Benefits Scheme
KenGen Pension Plaza 2
11th Floor, Kolobot Rd
P. O. Box 47936 - 00100
NAIROBI

- 4.4 The completed Proposal must be delivered and deposited in the tender box next to the lift lobby located at KenGen Pension Plaza 2, 11th Floor, Kolobot Road, Nairobi, Kenya on or before **Friday, 29th September, 2017 at 1400 hrs.** Any proposal received after the closing time for submission of proposals shall not be accepted.

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5. Evaluation of Proposals

From the time the bids are opened to the time the Contract is awarded, if any bidder wishes to contact the Scheme on any matter related to his proposal, he should do so in writing at the submission address indicated above. Any canvassing shall result in the rejection of the bidder's proposal.

Communication to the Bidders

The Trustees shall evaluate the Proposals and the results of the evaluation will be communicated to all the bidders at an appropriate time that will be decided by the Trustees.

Preliminary Evaluation

During this stage, bidders' responsiveness to the tender mandatory requirements will be determined based on a "YES/NO" basis (implying compliance or non-compliance respectively). Only bidders that comply with the mandatory requirements shall proceed to any evaluation.

For the preliminary evaluation, please attach certified copies of the following:

- i. Company registration certificate
- ii. Current tax compliance certificate
- iii. PIN registration certificate
- iv. VAT registration certificate
- v. Registration certificate from relevant body e.g ICPAK
- vi. Audited financial statements for the last three years

Evaluation

Each responsive proposal shall be evaluated and awarded marks as shown below:

	Area	Points
1	General Information on the Company (See 7)	Mandatory
2	Capability (technical team & financial) (See 8.1)	30
3	Relevant experience (See 8.2)	30
4	Adequacy of the proposed Methodology in responding to the objectives of the assignment (See 8.3)	40
	Total Points	100

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Minimum overall score required to pass is 70%.

The bidder(s) with the highest overall score (technical & financial) will be the winner of the evaluation process and will be awarded a three-year contract.

The formulae for determining the Financial Score (Sf) shall, be as follows:-

$Sf = 100 \times \frac{Fm}{F}$ where Sf is the financial score; Fm is the lowest priced financial proposal and F is the price of the proposal under consideration.

Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T=the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; $T + p = 1$)

The combined technical and financial score, S, is calculated as follows: -

$S = St \times T\% + Sf \times P\%$. The firm achieving the highest combined technical and financial score will be invited for negotiations.

6. Award of Contract and Confidentiality

- 6.1 Discussions will be held at the submission address mentioned above. The aim is to reach an agreement on all points and to sign a contract.
- 6.2 Having selected the firm on the basis of, among other things, an evaluation of proposed key professional staff, the Board of Trustees expect to negotiate a Contract on the basis of experts named in the proposal. Before contract negotiations, the Board of Trustees will require assurances that the experts will be actually available. The Board of Trustees may choose to visit the service provider at their premises. The Board will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the assignment. If this is not the case and if it is established that key staff were offered in the proposal without confirming their availability, the firm may be disqualified.
- 6.3 To complete negotiations, the Board of Trustees and the selected firm(s) will initial the agreed Contract. If negotiations fail, the Board will invite the firm whose proposal received the second highest score to negotiate a Contract.
- 6.4 The Contract will be awarded following negotiations. After negotiations are completed, the Board of Trustees will promptly notify other bidders on the shortlist that they were unsuccessful.
- 6.5 The selected firm(s) is (are) expected to commence the assignment on a date mutually agreed upon for a term of three years, subject to an annual performance evaluation. The selected firm(s) will also enter into a Service Level Agreement (herein referred to as "SLA") with the Board of Trustees before commencement of the contract term and shall be evaluated based on this SLA.

7. General Information about the Bidder

7.1 Name and Location of the Bidder

7.1.1 Please provide the following information about your company:

- (a) Name of the bidder
- (b) Registered office
- (c) Postal Address
- (d) Telephone number
- (e) Fax number
- (f) Email address
- (g) Date of incorporation
- (h) Country of incorporation
- (i) International Affiliations-branches/dealing counterparties
- (j) Main company objectives and business areas

7.1.2 Please provide the following information for each of the members of your Board of Directors:

- (a) Name
- (b) Nationality
- (c) Date of Appointment
- (d) Academic and professional qualifications
- (e) Proportion held of company's shares

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8.0 Technical Evaluation

<i>Area</i>	<i>Points</i>	<i>Cut off scores</i>
<p><i>8.1 Capacity</i></p> <p><i>Professional Qualifications:</i></p> <p>1) The Tax consultant(firm) shall be: Minimum experience of 10 years in tax consultancy.....5 marks</p> <p>Duly registered as tax consultancy service providers.....3 marks</p> <p>2) The Consultant shall provide evidence of Professional Indemnity Insurance Cover with a reputable insurance company.4 mark</p> <p>3) The Consultant shall submit curriculum vitae of at least one lead consultant and three other key personnel proposed as part of the Consultancy team.....2 marks for each CV</p> <p><i>NB: Each of the partners and or associates of the firm (if a professional partnership) to be engaged in the consultancy must be tax compliant and Certified Public Accountant (K). Attach tax compliance certificates and valid membership certificates respectively.</i></p> <p><i>Academic qualification (Economics, Finance, Tax Administration or any other related areas)</i></p> <p>Lead Consultant (1): Masters & CPA (K).....4 Marks</p> <p>Degree & CPA (K)..... 3 marks</p> <p>CPA (K)..... 2 marks</p> <p>Associate Consultants (3):</p> <p>Degree & CPA (K).....2 marks each</p> <p>CPA (K)..... 1 mark</p>	30	20
<p><i>8.2 Experience</i></p> <p>The consultant must demonstrate experience in carrying out tax consultancy services for pension schemes with a fund value of Kshs. Five (5) billion</p>	30	20

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<p>or more (Attach Written and certified References from at least three (3) existing clients complete with telephone & email addresses.)5 Marks (for each)</p> <p>Relevant technical experience</p> <p>Lead Consultant (1):</p> <p>Over 10 years' experience.....6 marks</p> <p>5-10 years' experience.....5 marks</p> <p>3-5years' experience.4 marks</p> <p>1-2 years' experience.3 marks</p> <p>Associate Consultant (3):</p> <p>Over 5 years' experience.....3 marks each</p> <p>3-5 years' experience.....2 marks each</p> <p>1-3 years' experience.1 mark each</p> <p>(provide copies of CVs and Certificates for all proposed staff in this assignment)</p>		
<p><u>8.3 Methodology</u></p> <p>Adequacy of the proposed Methodology and Work Plan in responding to the Terms of Reference. The consultant should capture in the proposal how the following will be handled;</p>	<i>40</i>	<i>30</i>
<p>Whether there is preparation of periodic alerts or newsletters on Tax matters and updates to the clients. (provide evidence)</p>	<i>2</i>	
<p>Advising on legislative developments concerning tax treatment of contributions by Scheme members and pay out to beneficiaries.</p>	<i>3</i>	
<p>Providing legal advice on tax related issues on a regular basis, as and when required.</p>	<i>2</i>	
<p>Assisting in giving tax adjustments, wherever applicable.</p>	<i>3</i>	
<p>Dealing with relevant Tax Authorities if and when required.</p>	<i>2</i>	
<p>Advising on Withholding Tax and Value Added Tax statements for all transactions carried out by the Scheme.</p>	<i>4</i>	
<p>Dealing with other related tax issues as and when they arise.</p>	<i>3</i>	

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Assessing the corporation tax on investment income of the Scheme on the portion of the accumulated contributions in excess of the tax deductible limits.	<i>4</i>	
Assessing and advising on tax treatment on retirement or earlier exit of members including taxation of the portion of Scheme benefits arising from contributions in excess of the tax deductible limits for the Defined Benefit and Scheme.	<i>4</i>	
Apportioning the contribution receipts between the “tax exempt” and “non-tax exempt” account and applying the correct corporation tax rates on the non-tax exempt accounts for each year and advising on the amounts that should be remitted to the Kenya Revenue Authority.	<i>3</i>	
Provide evidence of having represented your client at the Tax Appeals Tribunal or any other tax dispute resolution body	<i>5</i>	
Determining the tax penalties and interest, if any and apply for necessary waivers.	<i>2</i>	
Recommending the best market practice on computation and taxation of the Scheme Member Benefits.	<i>2</i>	
Considering and advising whether any adjustments need to be made in respect of Scheme members who have exited in the past.	<i>1</i>	
Total Points	<i>100</i>	<i>70</i>

9.0 Standard Forms

Financial Proposal

[Date]

To:

CEO & Trust Secretary
KenGen Staff Retirement Benefits Scheme
KenGen Pension Plaza 2
11th Floor, Kolobot Rd
P. O. Box 47936 - 00100
NAIROBI

Dear Sir,

1. Having examined the Tender document the receipt of which is hereby duly acknowledged, we, the undersigned, offer to provide Scheme Tax Consultancy services in accordance with the said tender document for the total annual sum of *[Amount in words and figures]* inclusive of the taxes on the basis of the nature of the operations of the fund on the assumption(s) that *[state the assumptions, if any]*.

The fees mentioned above shall be charged in the following manner:

Description	Amount (KShs.)
Net Fees	
Taxes <i>[please indicate the tax]</i>	
Other charges [if any, please provide details]	
Gross Fees	

Kindly also let us know:

- a) Under what circumstances is your fees negotiable
- b) What your billing frequency is

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2. We undertake, if our proposal is accepted, to provide Scheme Tax Consultancy Services in accordance with the conditions of this tender.
3. We agree to abide by this tender for a period of **90 days** from the date fixed for tender opening, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
4. This t e n d e r , together with your written acceptance thereof and your notification of award, shall constitute a basis signing of the contract by both parties.
5. We understand that the Board of Trustees is not bound to accept the lowest or any proposal they receive.

Yours faithfully,

[Authorized Signature]

[Name and Title of Signatory]

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