

REQUEST FOR PROPOSAL No. SRBS/Tender/INV-1/2017

**TENDER FOR PROVISION OF REVIEW OF INVESTMENT POLICY
STATEMENT (IPS) SERVICES
FOR
KenGen STAFF RETIREMENT BENEFITS SCHEME (DB)**

AUGUST, 2017

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ALL BIDDERS ARE ADVISED TO READ CAREFULLY THIS REQUEST FOR PROPOSAL DOCUMENT IN ITS ENTIRETY BEFORE MAKING ANY BID.

SECTION A: INFORMATION TO BIDDERS

- 1. Introduction**
- 1.1** KenGen Staff Retirement Benefits Scheme (DB) hereinafter referred as Client, wishes to select a Bidder among those invited to bid hereinafter referred as Bidders, in accordance with the method of selection detailed under this section for provision of Review of Investment Policy Statement (IPS) Services. The DB Scheme has a Fund Value of Kshs 7.86 billion and a membership of 467 members.
- 1.2** The Bidders are invited to submit a Technical Proposal and a Financial Proposal for: provision of Investment Policy Statement Review Services as specified in Appendix “A”.
- Please note that (i) the costs of preparing the Proposal and of negotiating the Contract, including any visit to the Client are not reimbursable as a direct cost of the assignment; and (ii) the Client is not bound to accept any of the Proposals submitted.
- 2. Clarification**
- 2.1** The Bidders may request a clarification of any aspect of the Request for Proposal (RFP) four (4) Days before the Proposal submission date.
- Amendment of RFP Documents**
- 2.2** Any request for clarification must be sent in writing by paper mail or email. The Client will respond by electronic mail to such requests and will send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all invited Bidders who intend to submit Proposals.
- 2.3** At any time before the submission of Proposals, the Client may for any reason, whether on own initiative or in response to a clarification requested by an invited Bidder, amend the RFP. Any amendment shall be issued in writing through addenda. Addenda shall be sent by mail or email to all invited Bidders and will be binding on them. The Client may at own discretion extend the deadline for the submission of the Proposals.
- 3. Preparation of Proposal**
- 3.1** The Proposals shall be written and typed in English language.

- Technical Proposal**
- 3.2** In preparing the Proposal, Bidders are expected to examine the documents constituting this RFP in detail. Material deficiencies in providing the information requested may result in rejection of a Proposal.
- 3.3** While preparing the Technical Proposal, Bidders must give particular attention to the following:
- i. It is desirable that the key professional staff proposed be permanent employees of the Bidder or has an extended and stable working relationship with it.
 - ii. Proposed key professional staff should preferably have worked under Kenyan environment or conditions similar to those prevailing in Kenya.
 - iii. The client reserves the right to verify all information provided by the bidder and any found false may result in disqualification of the proposal submitted.
- 3.4** The Technical Proposal shall provide the following information using the attached Standard Forms (specified in Section C);
- i) A brief description of the Bidder's organization
 - ii) Provide an outline of recent experience in provision of Investment Policy Statement Review Services or related services.
 - ii) Any comments or suggestions on the Terms of Reference and services and facilities to be provided by the Client.
 - iii) List of the proposed team by specialty and tasks to be assigned to each person.
 - iv) CVs summaries signed by the proposed professional staff and the authorized representative submitting the Proposal. Key information should include number of years working for the Bidder/entity and degree of responsibility held.
 - v) A detailed description of the proposed approach, strategy and methodology for executing the assignment.
 - vi) Any additional information requested in Appendix "A".
 - vii) The Technical Proposal shall not contain any financial information.

- Financial Proposal**
- 3.5** In preparing the Financial Quotation, Bidders are expected to take into account the requirements and conditions outlined in the RFP document. The Financial Quotation should follow Standard Form attached in Section D.
- 3.6** The Financial Proposal should clearly provide a fee amount inclusive of any taxes and any disbursements.
- 3.7** Bidders shall express the price of their services in Kenya Shillings.
- 3.8** The Proposal must remain valid for 90 days after the submission date. During this period, the bidder is expected to keep available, at own cost, the professional staff proposed for the assignment. The Client will make best effort to complete negotiations within this period. If the Client wishes to extend the validity period of the Proposals, the Bidder who do not agree have the right not to extend the validity of their Proposals.
- 4. Submission, Receipt and Opening of Proposals**
- 4.1** The original Proposal (Technical Proposal and Financial Proposal; see clause 1.2) shall be prepared in indelible ink. It shall contain no interlineations or overwriting, except as necessary to correct errors made by the Bidder. Any such corrections must be initialed by the persons or person authorized to sign the proposals.
- 4.2** For each Proposal, the bidder shall prepare the number of copies indicated in Appendix “A”. Each Technical Proposal and Financial Proposal shall be marked “**ORIGINAL**” or “**COPY**” as appropriate. If there are any discrepancies between the original and the copies of the Proposal, the original shall govern.
- 4.3** The original and the copy of the Technical Proposal shall be placed in a sealed envelope clearly marked “**REQUEST FOR PROPOSAL FOR PROVISION OF REVIEW OF INVESTMENT POLICY STATEMENT (IPS) SERVICES (DB SCHEME)**”. The original and the copy of the Financial Proposal will be put in a separate sealed envelope clearly marked “**Financial Proposal**” and warning, “**DO NOT OPEN WITH THE TECHNICAL PROPOSAL**”. Both envelopes shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address and other information indicated in Appendix “A” and clearly marked “**DO NOT OPEN, EXCEPT IN PRESENCE OF THE EVALUATION COMMITTEE**”.
- 4.4** The completed Technical & Financial Proposals must be delivered at the submission address on or before the time and date stated in Appendix “A”.

- 4.5** After the deadline for submission, the Technical Proposals shall be opened immediately.
- 5. Proposal Evaluation:**
- 5.1** From the time the bids are opened to the time the Contract is awarded, if any Bidder wishes to contact the Client on any matter related to their Proposal, they should do so in writing addressed to Client's officials at the address indicated in Appendix "A". Any effort by the Bidder to influence the Client in the Proposal evaluation, Proposal comparison or Contract award decisions may result in the rejection of the bidder's Proposal.
- 5.2** To assist in the examination and evaluation of RFPs, the client may at its discretion ask the bidder for clarification of its Proposal. The request for clarification and response shall be in writing, and this should not impact on price or substance of the RFP.
- Evaluation of Technical Proposals**
- 5.3** The evaluation committee appointed by the Client shall evaluate the Proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria as follows:
- (Documentary evidence must be provided for each requirement – noncompliance may lead to disqualification or nil points)
- a) Relevant experience (30%)
 - b) Key staff, role & qualifications (20%)
 - c) Client's references and reputation (10%)
 - d) Financial strength (10%)
 - e) Ownership Structure (5%)
 - f) Value adding services (5%)
- 5.4** Each responsive Proposal will be given a technical score and the Bidders, which score 70% and above, will qualify for the next stage of financial evaluation. A Proposal shall also be rejected at this stage if it does not respond to the Terms of Reference or requirements stated in the other paragraphs or the appendices in this document.
- Opening and Evaluation of Financial Proposals**
- 5.5** The Client's evaluation committee shall open the Financial Proposals.
- The evaluation committee will determine whether the financial proposals are complete (i.e. Whether the Bidder has costed all the items of the corresponding Technical Proposal and correct any computational errors.
- The cost of any un-priced items shall be assumed to be included in other costs in the proposal. In all cases, the total price of the Financial Proposal as submitted shall prevail. The financial

proposal must therefore cost all necessary items as any omissions may lead to rejection of the proposal.

- 5.6** The final award will be based on quality and cost selection method as follows:
- Minimum qualifying technical score – 70%
 - Technical weight – 80%
 - Financial weight – 20%

Formula for combining technical and financial scores

$$S = (S_t \times T\%) + (S_f \times P\%) \text{ where}$$

S_t = Technical Score

T = Weighted Technical Score

S_f = Financial Score

P = Weighted Financial Score

6. Negotiations

- 6.1** Negotiations will be held at the same address as “address to send information to the Client” indicated in Appendix “A”. The aim is to reach agreement on all points and sign a contract.
- 6.2** Negotiations will include a discussion of the Technical Proposal, the proposed work plan and methodology, staffing and any suggestions made by the Bidder to improve the Terms of Reference. The Client and Bidder will then work out final Terms of Reference. The agreed work plan and final Terms of Reference will then be incorporated in the “Description of Services” and form part of the Contract. Special attention will be paid to getting the most the Bidder can offer within the available budget and to clearly defining the inputs required from the Client to ensure satisfactory implementation of the assignment.
- 6.3** Unless there are exceptional reasons, the financial negotiations will not involve the remuneration rates for staff (no breakdown of fees).
- 6.4** Having selected the Bidder on the basis of, among other things, an evaluation of proposed key professional staff; the client expects to negotiate a contract on the basis of the experts named in the proposal. Before contract negotiations, the client will require assurances that the experts will be actually available. The client 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 Bidder may be disqualified.

The negotiations will conclude with a review of the draft form of the Contract. To complete negotiations the client and the selected

Bidder will initial the agreed contract. If negotiations fail, the client will invite the Bidder whose proposal received the second highest score to negotiate a contract.

6.5 The Client reserves the right to accept or reject any bid, and to annul the bidding process and reject all bids at any time prior to contract award, without thereby incurring any liability to the affected Bidders or any obligation to inform the affected Bidders of the grounds of client's action.

7. Award of Contract

7.1 A contract will be awarded to the successful Bidder and the Client will promptly notify other consultants on the shortlist that they were unsuccessful.

7.2 The selected Bidder is expected to commence the assignment on the date and at the location specified in Appendix "A".

8. Confidentiality

8.1 Information relating to evaluation of Proposals and recommendations concerning awards shall not be disclosed to the Bidders who submitted the Proposals or to other persons not officially concerned with the process, until the winning Bidder has been notified that it has been awarded the Contract.

SECTION B: APPENDIX “A” - SPECIAL CONDITIONS OF CONTRACT (SC)

Clause Reference

- 1.1 a) The name of the Client is: **KenGen Staff Retirement Benefits Scheme**
- b) The method of selection is: Quality and Cost based Selection
- 1.2 Technical and Financial Proposal requested: **Yes**
- 1.3 **Name of the Assignment;**
The name of the assignment is “**REQUEST FOR PROPOSALS FOR PROVISION OF REVIEW OF INVESTMENT POLICY STATEMENT (IPS) SERVICES (DB SCHEME)**”
- The description of the assignment and the Terms of Reference have been provided in Section E
- 1.4 The name(s), address (es) and telephone numbers of the Client’s official(s) are:
CEO & Trust Secretary
KenGen Staff Retirement Benefits Scheme,
KenGen Pension Plaza 2,
11th Floor, Kolobot Road,
P.O Box 47936 - 00100,
Nairobi, Kenya.
Tel. 020-3666932
- 1.5 **Estimated Assignment Duration**
- The contract estimated period is 1 month. The duration will be confirmed at the contractual stage.
- 1.6 **Registration**
The Bidder should be a local and legally registered firm. Copies of the certificate of incorporation/registration must be attached. The Bidder must have been in operation for at least eight (8) years after registration. The Bidders should also indicate the physical address of the firm.
- 1.7 **Professionalism and Objectivity**
- The Client’s policy requires that service providers undertake the assignment with a high degree of professional standards and at all times hold the Client’s interests paramount, without any consideration for future work. The service provider shall perform the assignment and carry out his obligations with all due diligence, efficiency and economy in accordance with generally accepted professional techniques and practices and shall observe sound management practices, and employ appropriate advanced technology and safe methods.
- 1.8 Taxes: The Bidder must attach a copy of **VAT, iTax PIN and Tax Compliance** certificates in the Proposal.
- 1.9 The Bidder must submit **an original and one (1)** copy of each Proposal.

1.10 The Proposal submission address is:

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

1.11 The Technical Proposal and the Financial Proposal must be submitted to the CEO & Trust Secretary's Office on the Ground floor of Stima Plaza not later than **16th August, 2017 at 12.00 noon.**

1.12 The successful Bidder is expected to commence the assignment on or around **1st September, 2017.**

SECTION C: TECHNICAL PROPOSAL – STANDARD FORMS

These forms shall include;

- i) Technical Proposal submission form.
- ii) Firm's details;

(i). TECHNICAL PROPOSAL SUBMISSION FORM

[_____ Date]

To: _____ [Name and address of Client]

Ladies/Gentlemen:

We, the undersigned, offer to provide Investment Policy Statement review services to KenGen Staff Retirement Benefits Scheme in accordance with your Request for Proposal dated _____ (Date). We hereby submit our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope (where applicable).

We understand you are not bound to accept the lowest or any Proposal you receive.

We remain,

Yours sincerely,

_____ [Authorized Signature]

_____ [Name and Title of Signatory]

_____ [Name of Firm]

_____ [Address]

(ii). BIDDERS’S DETAILS

Brief description of the Bidder’s suitability to prepare the Investment Policy Statement

Dates of incorporation and operation	
Date of registration with Retirement Benefits Authority (RBA)	

Please specify the key aspects of an Investment Policy Statement (IPS). Also provide a recent draft IPS that you have prepared.

.....
.....
.....

Please provide the following information in respect of your personnel in Kenya;

Cadre	No.
Actuary/ Financial Analyst	
Client service/marketing	
Other professionals	
Total employees	

Please provide details of the key staff that will be responsible for this assignment;

Name	Position	Task

Please provide the CV for the key staff as per prescribed format in this document

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.....
.....

Provide an organization structure;

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.....
.....

Please provide the number of key personnel who have left and joined over the last three years

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.....

Format of Curriculum Vitae (CV) for the assignment key staff

Position:
NameNationality.....
Years with Firm.....

Membership in Professional Bodies
.....
.....

Detailed Tasks Assigned:
.....
.....
.....
.....

Employment Record:

[Starting with present position, list in reverse order every employment held. List all positions held by staff member giving dates, names of employing organizations, titles of positions held, and locations of assignments.]
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.....
.....

Education/ Professional:

[Summarize college/university and other specialized education of staff member, giving names of schools, dates attended and degree[s] obtained.]
.....
.....
.....

Certification:

Isign..... certify that these data correctly describe my qualifications, my experience, and me.

Please provide the ownership structure of the company

Name	% shareholding	Nationality

Please attach a copy of your firm audited accounts for each of the last 3 years;

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.....
.....

Please attach references from at least three major firms that you provided similar services

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.....

Provide a description and natures of any other value add services

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.....
.....

Attachments;

1. Proof of registration with RBA.
2. Tax compliance certificate
3. iTax PIN certificate
4. VAT Certificate
5. Audited accounts for the last 3 years
6. Client references (at least 3)

SECTION D:
(i) FINANCIAL QUOTATION SUBMISSION FORM

_____ [Date]

To: _____

[Name and address of Client]

Ladies/Gentlemen:

We, the undersigned, offer to provide the service for (_____) [Title of service being provided] in accordance with your Request for Proposal dated (_____) [Date] and our Proposal. Our Financial Proposal is as attached.

We understand you are not bound to accept the lowest or any Proposal you receive.

We remain,

Yours sincerely,

_____ [Authorized Signature]

_____ [Name and Title of Signatory]

_____ [Name of Firm]

_____ [Address]

The Financial Proposal

Fee structure

Fees will be on the basis of a fixed fee inclusive of any taxes and any disbursements.

SECTION E: TERMS OF REFERENCE

The Scope of Work will include but not be limited to:

1. The services entail reviewing the Investment Policy Statement for KenGen Staff Retirement Benefits Scheme to apply for a period of not more than three years.
2. Review membership data including historical data in relation to the KenGen Staff Retirement Benefits Scheme Benefits to determine the risk profile.
3. Prepare an Investment Policy Statement for discussion with the Trustees and the appointed Fund Managers. Key areas to consider:
 - i. KenGen Staff Retirement Benefits Scheme background.
 - ii. Funding position/ objectives of KenGen Staff Retirement Benefits Scheme
 - iii. Investment/return objectives that ties into the KenGen Staff Retirement Benefits Scheme strategic plan.
 - iv. Asset allocation/asset mix that ties into the KenGen Staff Retirement Benefits Scheme strategic plan.
 - v. Regulatory provisions governing investments.
 - vi. Risk tolerance & liquidity requirements of KenGen Staff Retirement Benefits Scheme
 - vii. Investments monitoring, evaluation and reporting.
 - viii. Composite benchmark that incorporates capital markets, alternative investments and property.
 - ix. Governance policies relating to investments.
 - x. Exercise of voting rights
 - xi. Stakeholders and their roles.
 - xii. Investment and property managers' selection.
 - xiii. Strategy review.
 - xiv. Communication.
 - xv. Authorized institutions & stock brokers and broker policy.
4. Attend Board of Trustees meetings to present the Investment Policy Statement to the Trustees.
5. The Investment Policy Statement will be completed and a draft presented to the Trustees within four weeks on receipt of the signed Service Level Agreement.