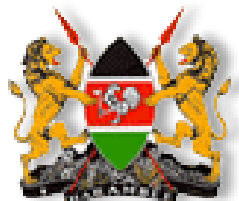


REPUBLIC OF KENYA

THE NATIONAL TREASURY AND PLANNING

P. O. BOX 30007 - 00100

NAIROBI



REQUEST FOR PROPOSALS (RFP)

FOR

**PROVISION OF TRANSACTION ADVISORY
SERVICES
ON MERGER OF INDUSTRIAL AND
COMMERCIAL DEVELOPMENT
CORPORATION, IDB CAPITAL LIMITED AND
TOURISM FINANCE CORPORATION**

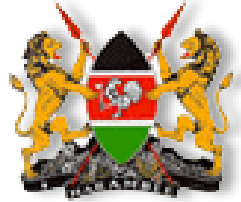
TENDER NO: TNT/014/2018 - 2019

CLOSING DATE: TUESDAY 18TH SEPTEMBER, 2018 AT 10.00 A.M.

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SECTION I - LETTER OF INVITATION



**REPUBLIC OF KENYA
THE NATIONAL TREASURY AND PLANNING
PROVISION OF TRANSACTION ADVISORY SERVICES
ON MERGER OF INDUSTRIAL AND COMMERCIAL DEVELOPMENT CORPORATION,
IDB CAPITAL LIMITED AND TOURISM FINANCE CORPORATION
TENDER NO. TNT/014/2018-2019**

The National Treasury invites Request for Proposals (RFP) from interested consultants for provision of transaction advisory services on merger of Industrial and Commercial Development Corporation, IDB Capital Limited and Tourism Finance Corporation.

A complete set of request for proposal documents may be downloaded by interested candidates free of charge at www.treasury.go.ke or www.tender.go.ke and those who have downloaded the document from the website must forward their particulars immediately for recording and any further clarifications and addenda to procurement@treasury.go.ke.

Completed Request for Proposal documents, enclosed in plain sealed envelope, marked RFP with the relevant RFP number and title shall be addressed to:

**The Principal Secretary,
The National Treasury,
PO Box 30007 – 00100,
Nairobi, Kenya**

and be deposited in the tender box provided at the Treasury Building, 6th Floor, Harambee Avenue, Nairobi, so as to be received on or before **Tuesday 18th September, 2018 at 10.00 a.m.**

Tenders will be opened immediately thereafter in the presence of the tenderers or their representatives who choose to attend the opening at The National Treasury, Treasury Building, 6th floor, Conference Room No. 603 on **Tuesday 18th September, 2018 at 10.00 a.m.**

**HEAD, SUPPLY CHAIN MANAGEMENT SERVICES
FOR: PRINCIPAL SECRETARY**

SECTION II: - INFORMATION TO CONSULTANTS (ITC)

2.1 Introduction

- 2.1.1 The Client named in the Appendix to “ITC” will select a firm among those invited to submit a proposal, in accordance with the method of selection detailed in the appendix. The method of selection shall be as indicated by the procuring entity in the Appendix.
- 2.1.2 The consultants are invited to submit a Technical Proposal and a Financial Proposal, or a Technical Proposal only, as specified in the Appendix “ITC” for consulting services required for the assignment named in the said Appendix. A Technical Proposal only may be submitted in assignments where the Client intends to apply standard conditions of engagement and scales of fees for professional services which are regulated as is the case with Building and Civil Engineering Consulting services. In such a case the highest ranked firm of the technical proposal shall be invited to negotiate a contract on the basis of scale fees. The proposal will be the basis for Contract negotiations and ultimately for a signed Contract with the selected firm.
- 2.1.3 The consultants must familiarize themselves with local conditions and take them into account in preparing their proposals. To obtain first-hand information on the assignment and on the local conditions, consultants are encouraged to liaise with the Client regarding any information that they may require before submitting a proposal and to attend a pre-proposal conference where applicable. Consultants should contact the officials named in the Appendix “ITC” to arrange for any visit or to obtain additional information on the pre-proposal conference. Consultants should ensure that these officials are advised of the visit in adequate time to allow them to make appropriate arrangements.
- 2.1.4 The Client will provide the inputs specified in the Appendix “ITC”, assist the firm in obtaining licenses and permits needed to carry out the services and make available relevant project data and reports.
- 2.1.5 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.
- 2.1.6 The procuring entity’s employees, committee members, board members and their relative (spouse and children) are not eligible to participate.
- 2.1.7 The price to be charged for the tender document shall be free.
- 2.1.8 The procuring entity shall allow the tenderer to review the tender document free of charge before purchase.

2.2 Clarification and Amendment of RFP Documents

2.2.1 Consultants may request a clarification of any of the RFP documents only up to seven [7] days before the proposal submission date. Any request for clarification must be sent in writing by paper mail or electronic mail to the Client's address indicated in the Appendix "ITC". The Client will respond by paper mail or 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 consultants who intend to submit proposals.

2.2.2 At any time before the submission of proposals, the Client may for any reason, whether at his own initiative or in response to a clarification requested by an invited firm, amend the RFP. Any amendment shall be issued in writing through addenda. Addenda shall be sent by paper mail or electronic mail to all invited consultants and will be binding on them. The Client may at his discretion extend the deadline for the submission of proposals.

2.3 Preparation of Technical Proposal

2.3.1 The Consultants proposal shall be written in English language.

2.3.2 In preparing the Technical Proposal, consultants 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.

2.3.3 While preparing the Technical Proposal, consultants must give particular attention to the following:

- (i) If a firm considers that it does not have all the expertise for the assignment, it may obtain a full range of expertise by associating with individual consultant(s) and/or other firms or entities in a joint venture or sub-consultancy as appropriate. Any firms associating in contravention of this requirement shall automatically be disqualified.
- (ii) For assignments on a staff-time basis, the estimated number of professional staff-time is given in the Appendix. The proposal shall however be based on the number of professional staff-time estimated by the firm.
- (iii) It is desirable that the majorities of the key professional staff proposed be permanent employees of the firm or have an extended and stable working relationship with it.
- (iv) Proposed professional staff must as a minimum, have the experience indicated in Appendix, preferably working under conditions similar to those prevailing in Kenya.
- (v) Alternative professional staff shall not be proposed and only one Curriculum Vitae (CV) may be submitted for each position.

2.3.4 The Technical Proposal shall provide the following information using the attached Standard Forms;

- (i) A brief description of the firm's organization and an outline of recent experience on assignments of a similar nature. For each assignment the outline should indicate *inter alia*, the profiles of the staff proposed, duration of the assignment, contract amount and firm's involvement.
- (ii) Any comments or suggestions on the Terms of Reference, a list of services and facilities to be provided by the Client.
- (iii) A description of the methodology and work plan for performing the assignment.
- (iv) The list of the proposed staff team by specialty, the tasks that would be assigned to each staff team member and their timing.
- (v) CVs recently signed by the proposed professional staff and the authorized representative submitting the proposal. Key information should include number of years working for the firm/entity and degree of responsibility held in various assignments during the last ten (10) years.
- (vi) Estimates of the total staff input (professional and support staff staff-time) needed to carry out the assignment supported by bar chart diagrams showing the time proposed for each professional staff team member.
- (vii) A detailed description of the proposed methodology, staffing and monitoring of training, if Appendix "ITC" specifies training as a major component of the assignment.
- (viii) Any additional information requested in Appendix "ITC".

2.3.5 The Technical Proposal shall not include any financial information.

2.4 Preparation of Financial Proposal

2.4.1 In preparing the Financial Proposal, consultants are expected to take into account the requirements and conditions outlined in the RFP documents. The Financial Proposal should follow Standard Forms (Section IV). It lists all costs associated with the assignment including; (a) remuneration for staff (in the field and at headquarters), and; (b) reimbursable expenses such as subsistence (per diem, housing), transportation (international and local, for mobilization and demobilization), services and equipment (vehicles, office equipment, furniture, and supplies), office rent, insurance, printing of documents, surveys, and training, if it is a major component of the assignment. If appropriate these costs should be broken down by activity.

- 2.4.2 The Financial Proposal should clearly identify as a separate amount, the local taxes, duties, fees, levies and other charges imposed under the law on the consultants, the sub-consultants and their personnel, unless Appendix “ITC” specifies otherwise.
- 2.4.3 Consultants shall express the costs of their services in Kenya Shillings, unless Appendix “ITC” specifies otherwise.
- 2.4.4 Commissions and gratuities, if any, paid or to be paid by consultants and related to the assignment will be listed in the Financial Proposal submission Form.
- 2.4.5 The Proposal must remain valid for 120 days after the submission date. During this period, the consultant is expected to keep available, at his own cost, the professional staff proposed for the assignment. The Client will make his best effort to complete negotiations within this period. If the Client wishes to extend the validity period of the proposals, the consultants shall agree to the extension.

2.5 Submission, Receipt, and Opening of Proposals

- 2.5.1 The original proposal (Technical Proposal and, if required, Financial Proposal; see para. 2.1.2) shall be prepared in indelible ink. It shall contain no interlineation or overwriting, except as necessary to correct errors made by the firm itself. Any such corrections must be initialed by the persons or person authorized to sign the proposals.
- 2.5.2 For each proposal, the consultants shall prepare the number of copies indicated in Appendix ITC. 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.
- 2.5.3 The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked “**TECHNICAL PROPOSAL,**” and the original and all copies of the Financial Proposal in a 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 the Appendix “ITC” and be clearly marked, “**DO NOT OPEN, EXCEPT IN PRESENCE OF THE OPENING COMMITTEE.**”
- 2.5.4 The completed Technical and Financial Proposals must be delivered at the submission address on or before the time and date stated in the Appendix “ITC”. Any proposal received after the closing time for submission of proposals shall be returned to the respective consultant unopened.

2.5.5 After the deadline for submission of proposals, the Technical Proposal shall be opened immediately by the opening committee. The Financial Proposal shall remain sealed and deposited with a responsible officer of the client department up to the time for public opening of financial proposals.

2.6 Proposal Evaluation General

2.6.1 From the time the bids are opened to the time the Contract is awarded, if any consultant wishes to contact the Client on any matter related to his proposal, he should do so in writing at the address indicated in the Appendix "ITC". Any effort by the firm to influence the Client in the proposal evaluation, proposal comparison or Contract award decisions may result in the rejection of the consultant's proposal.

2.6.2 Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation is concluded.

2.7 Evaluation of Technical Proposal

2.7.1 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, sub criteria and point system specified in the Appendix "ITC".

Each responsive proposal will be given a technical score (St). A proposal shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference or if it fails to achieve the minimum technical score indicated in the Appendix "ITC".

2.8 Public Opening and Evaluation of Financial Proposal

2.8.1 After Technical Proposal evaluation, the Client shall notify those consultants whose proposals did not meet the minimum qualifying mark or were considered. Non-responsive bids to the RFP and Terms of Reference, indicating that their Financial Proposals will be returned after completing the selection process. The Client shall simultaneously notify the consultants who have secured the minimum qualifying mark, indicating the date and time set for opening the Financial Proposals and stating that the opening ceremony is open to those consultants who choose to attend. The opening date shall not be sooner than seven (7) days after the notification date. The notification may be sent by paper mail or electronic mail.

2.8.2 The Financial Proposals shall be opened publicly in the presence of the consultants' representatives who choose to attend. The name of the consultant, the technical scores and the proposed prices shall be read aloud and recorded when the Financial Proposals are opened. The Client shall prepare minutes of the public opening.

2.8.3 The evaluation committee will determine whether the financial proposals are complete i.e. whether the consultant has costed all the items of the

corresponding Technical Proposal and correct any computational errors. The cost of any unpriced 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.

- 2.8.4 While comparing proposal prices between local and foreign firms participating in a selection process in financial evaluation of Proposals, firms incorporated in Kenya where indigenous Kenyans own 51% or more of the share capital shall be allowed a 10% preferential bias in proposal prices. However, there shall be no such preference in the technical evaluation of the tenders. Proof of local incorporation and citizenship shall be required before the provisions of this sub-clause are applied. Details of such proof shall be attached by the Consultant in the financial proposal.
- 2.8.5 Consultants who score the minimum technical score of 70% and above shall be considered for financial evaluation / analysis and the lowest bid price will be considered for award.
- 2.8.6 The tender evaluation committee shall evaluate the tender within 30 days from the date of opening the tender.
- 2.8.7 Contract price variations shall not be allowed for contracts not exceeding one year (12 months).
- 2.8.8 Where contract price variation is allowed, the variation shall not exceed 10% of the original contract price.
- 2.8.9 Price variation requests shall be processed by the procuring entity within 30 days of receiving the request.

2.9 Negotiations

- 2.9.1 Negotiations will be held at the same address as “address to send information to the Client” indicated in the Appendix “ITC”. The aim is to reach agreement on all points and sign a contract.
- 2.9.2 Negotiations will include a discussion of the Technical Proposal, the proposed methodology and work plan, staffing and any suggestions made by the firm to improve the Terms of Reference. The Client and firm will then work out final Terms of Reference, staffing and bar charts indicating activities, staff periods in the field and in the head office, staff-months, logistics and reporting. 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 firm can offer within the available budget and to clearly defining the inputs required from the Client to ensure satisfactory implementation of the assignment.
- 2.9.3 Unless there are exceptional reasons, the financial negotiations will not involve the remuneration rates for staff (no breakdown of fees).

- 2.9.4 Having selected the firm 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 firm may be disqualified.
- 2.9.5 The negotiations will conclude with a review of the draft form of the Contract. To complete negotiations the Client and the selected firm will initial the agreed Contract. If negotiations fail, the Client will invite the firm whose proposal received the second highest score to negotiate a contract.
- 2.9.6 The procuring entity shall appoint a team for the purpose of the negotiations.

2.10 Award of Contract

- 2.10.1 The Contract will be awarded following negotiations. After negotiations are completed, the Client will promptly notify other consultants on the shortlist that they were unsuccessful and return the Financial Proposals of those consultants who did not pass the technical evaluation unopened.
- 2.10.2 The selected firm is expected to commence the assignment on the date and at the location specified in Appendix "ITC".
- 2.10.3 The parties to the contract shall have it signed within 14 days from the date of notification of contract award unless there is an administrative review request.
- 2.10.4 The procuring entity may at any time terminate procurement proceedings before contract award and shall not be liable to any person for the termination.
- 2.10.5 The procuring entity shall give prompt notice of the termination to the tenderers and on request give its reasons for termination within 14 days of receiving the request from any tenderer.
- 2.10.6 To qualify for contract awards, the tenderer shall have the following:
- (a) Necessary qualifications, capability experience, services, equipment and facilities to provide what is being procured.
 - (b) Legal capacity to enter into a contract for procurement
 - (c) Shall not be insolvent, in receivership, bankrupt or in the process of being wound up and is not the subject of legal proceedings relating to the foregoing.
 - (d) Shall not be debarred from participating in public procurement.

2.11 Confidentiality

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

2.12 Corrupt or fraudulent practices

2.12.1 The procuring entity requires that the consultants observe the highest standards of ethics during the selection and award of the consultancy contract and also during the performance of the assignment. The tenderer shall sign a declaration that he has not and will not be involved in corrupt or fraudulent practices.

2.12.2 The procuring entity will reject a proposal for award if it determines that the consultant recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question.

2.12.3 Further a consultant who is found to have indulged in corrupt or fraudulent practices risks being debarred from participating in public procurement in Kenya.

Appendix to Information to Consultants (ITC)

The following information for procurement of consultancy services and selection of consultants shall complement or amend the provisions of the information to consultants, wherever there is a conflict between the provisions of the information and to consultants and the provisions of the appendix, the provisions of the appendix herein shall prevail over those of the information to consultants.

2.1.1 a. The name of the Client is: **THE NATIONAL TREASURY**

b. The method of selection is: **Least Cost Selection**

2.1.2 Technical and Financial Proposals are requested for: **Provision of transaction advisory services on merger of Industrial and Commercial Development Corporation, IDB Capital Limited and Tourism Finance Corporation**

2.1.3 A pre-proposal conference will be held: No.

The name(s), address (es) and telephone numbers of the Client's official(s) are:

**The National Treasury
Harambee Avenue
6TH floor, room 601
P.O. Box 30007 - 00100
Nairobi
Tel: +254-20-2252299**

2.1.4 The Client will provide the following inputs: **Information regarding the assignment will be provided to the successful firm.**

2.2.1 Clarifications may only be requested upto seven (7) days before the submission date. The address for requesting clarification is:

**The National Treasury
Harambee Avenue
6TH floor, room 601
P.O. Box 30007 00100,
Nairobi
Tel: +254-20-2252299**

2.3.1 Proposals should be submitted in **English Language.**

2.3.3 While preparing the Technical Proposal, consultants must give particular attention to the following;

a. The estimated period of the consultancy is: 12 Months

b. The minimum qualification and experience of the consultant is as follows:

- (a) Extensive advisory experience, particularly for mergers and acquisitions;
- (b) Business review and strategy advisory experience in the banking and/or DFI space;
- (c) Expertise in carrying out financial, commercial, human resource and legal due diligence and advising on related issues;
- (d) Valuation of banks;
- (e) Change Management;
- (f) Communication Strategy; and
- (g) Public sector transaction advisory experience – as an added advantage.

d. Presentations that are part of the assignment must be written in English language.

2.4.2 Taxes

The financial proposal should clearly estimate, as a separate amount, the local taxes (including social security), duties, fees, levies, and other charges imposed under the applicable law, on the consultants, the sub consultants, and their personnel as charges required under the Kenyan law.

2.4.3 Consultants shall express the costs in **Kenya Shillings**.

2.4.5 Proposals must remain valid for **120 days** after the submission.

2.5.2 Consultants must submit an **original** and **two** additional copies of each proposal.

2.5.3 The proposal submission address is:

**Principal Secretary,
The National Treasury
P.O. Box 30007 00100
Nairobi**

2.5.4 Proposals must be submitted not later than the following date and time:

Tuesday 18th September, 2018 at 10.00 a.m.

2.6.1 The address to send information to the Client is:

**Principal Secretary,
The National Treasury,
P.O. Box 30007 00100
Nairobi**

2.7.1 The number of points to be given under each of the evaluation criteria are:

Evaluation Criteria

Mandatory Requirements

- a) Must attach a certificate of incorporation/registration
- b) Must attach valid tax compliance certificate
- c) The original must include the Procurement Entity's original Request for Proposal document each page numbered and initialed including all the attachments thereof. The same to be done with the copies.

1. Specific experience of the firm related to the assignment (20 Points)

- (a) Extensive advisory experience, particularly for mergers and acquisitions; 5 marks
- (b) Business review and strategy advisory experience in the banking and/or DFI space; 5 marks
- (c) Expertise in carrying out financial, commercial, human resource and legal due diligence and advising on related issues; 2 marks
- (d) Valuation of banks; 2 marks
- (e) Change Management; 2 marks
- (f) Communication Strategy; 2 marks
- (g) Public sector transaction advisory experience – as an added advantage 2 marks

2. Adequacy of the proposed work plan and methodology in responding to the Terms of Reference (35 Points)

- a) Interpretation of TOR's /understanding the scope of work (10 Marks)
- b) Methodology of implementing the assignment (10 Marks)
- c) Work plan to incorporate all the activities to be undertaken as per the Terms of Reference (10 Marks)
- d. Organization structure and staffing (5 Marks)

3. Qualifications and competence of the key staff for the assignment (40 Points)

Team leader

- a. Masters degree in economics, finance and accounts or equivalent (attach certificate) (5 Marks)

- b. A minimum of over 5 years of professional experience in mergers and acquisitions, and relevant assignments (5 Marks)

Other Key Staff

- a. Bachelor degree in economics, finance and accounts or equivalent (attach certificate) (5 Marks)
- b. A minimum of over 5 years of professional experience in the following areas;
- i. Extensive advisory experience, particularly for mergers and acquisitions; 5 marks
 - ii. Business review and strategy advisory experience in the banking and/or DFI space; 5 marks
 - iii. Expertise in carrying out financial, commercial, human resource and legal due diligence and advising on related issues; 3 marks
 - iv. Valuation of banks; 3 marks
 - v. Change Management; 3 marks
 - vi. Communication Strategy; 2 marks
 - vii. Public sector transaction advisory experience – as an added advantage 4 marks

4. Capacity Building- Training and knowledge transfer (5 Points)

Summary of Scores

(i) Experience of the firm/consultant	20
(ii) Proposed work plan and approach	35
(iii) Key Professional personnel	40
(iv) Capacity Building	5
Total	100

Notes:

1. The minimum technical score required to pass in this stage is 70 points.
2. There shall be no formulae for determining the financial score.
3. The tender shall be awarded based on the following;
 - **Consultants who scores 70% and above shall proceed for financial evaluation and the consultant with the lowest financial price will be considered for award.**
4. **The successful firm will not be allowed to vary the team of experts as presented in the bid documents without prior approval of the National Treasury.**

2.9.1 The address for negotiations is:

**Principal Secretary,
The National Treasury,
P.O. Box 30007 00100
Nairobi**

2.10.2 The assignment is expected to commence seven (7) days after signing and approval of contract by the client.

SECTION III: - TECHNICAL PROPOSAL

Notes on the preparation of the Technical Proposals

- 3.1 In preparing the technical proposals the consultant is expected to examine all terms and information included in the RFP. Failure to provide all requested information shall be at the consultants own risk and may result in rejection of the consultant's proposal.
- 3.2 The technical proposal shall provide all required information and any necessary additional information and shall be prepared using the standard forms provided in this Section.
- 3.3 The Technical proposal shall not include any financial information unless it is allowed in the Appendix to information to the consultants or the Special Conditions of contract.

SECTION III - TECHNICAL PROPOSAL

1. TECHNICAL PROPOSAL SUBMISSION FORM

[_____ Date]

To: _____ [Name and address of Client]

Ladies/Gentlemen:

We, the undersigned, offer to provide the consulting services for _____
_____ [Title of consulting services] in accordance with your
Request for Proposal dated _____ [Date] and our Proposal. We are
hereby submitting 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 any Proposal that you receive.

We remain,

Yours sincerely,

_____ [Authorized Signature]:

_____ [Name and Title of Signatory]:

_____ [Name of Firm]:

_____ [Address:]

2. FIRM'S REFERENCES

Relevant Services Carried Out That Best Illustrate Qualifications

Using the format below, provide information on each assignment for which your firm either individually, as a corporate entity or in association, was legally contracted.

Assignment Name:		Country
Location within Country:		Professional Staff provided by Your Firm/Entity(profiles):
Name of Client:		Clients contact person for the assignment.
Address:		No of Staff-Months; Duration of Assignment:
Start Date (Month/Year):	Completion Date (Month/Year):	Approx. Value of Services (Kshs)
Name of Associated Consultants. If any:		No of Months of Professional Staff provided by Associated Consultants:
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed:		
Narrative Description of project:		
Description of Actual Services Provided by Your Staff:		

Firm's Name: _____

Name and title of signatory; _____

(May be amended as necessary)

3. COMMENTS AND SUGGESTIONS OF CONSULTANTS ON THE TERMS OF REFERENCE AND ON DATA, SERVICES AND FACILITIES TO BE PROVIDED BY THE CLIENT.

On the Terms of Reference:

- 1.
- 2.
- 3.
- 4.
- 5.

On the data, services and facilities to be provided by the Client:

- 1.
- 2.
- 3.
- 4.
- 5.

4. DESCRIPTION OF THE METHODOLOGY AND WORK PLAN FOR PERFORMING THE ASSIGNMENT

5. TEAM COMPOSITION AND TASK ASSIGNMENTS

1. Technical/Managerial Staff

Name	Position	Task

2. Support Staff

Name	Position	Task

6. FORMAT OF CURRICULUM VITAE (CV) FOR PROPOSED PROFESSIONAL STAFF

Proposed Position: _____

Name of Firm: _____

Name of Staff: _____

Profession: _____

Date of Birth: _____

Years with Firm: _____ Nationality: _____

Membership in Professional Societies: _____

Detailed Tasks Assigned: _____

Key Qualifications:

[Give an outline of staff member's experience and training most pertinent to tasks on assignment. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations].

Education:

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

Employment Record:

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

Certification:

I, the undersigned, certify that these data correctly describe me, my qualifications, and my experience.

_____ Date: _____
[Signature of staff member]

_____ Date: _____
[Signature of authorised representative of the firm]

Full name of staff member: _____

Full name of authorized representative: _____

7. TIME SCHEDULE FOR PROFESSIONAL PERSONNEL

Name	Position	Reports Due/ Activities	Months (in the Form of a Bar Chart)												Number of months	
			1	2	3	4	5	6	7	8	9	10	11	12		

Reports Due: _____

Activities Duration: _____

Signature: _____
(Authorized representative)

Full Name: _____

Title: _____

Address: _____

8. ACTIVITY (WORK) SCHEDULE

(a). Field Investigation and Study Items

[1st, 2nd, etc, are months from the start of assignment]

	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	11 th	12 th	
Activity (Work)													

(b). Completion and Submission of Reports

Reports	Date
1. Inception Report	
4. Interim Progress Report (a) First Status Report (b) Second Status Report	
3. Draft Report	
4. Final Report	

SECTION IV: - FINANCIAL PROPOSAL

Notes on preparation of Financial Proposal

- 4.1 The Financial proposal prepared by the consultant should list the costs associated with the assignment. These costs normally cover remuneration for staff, subsistence, transportation, services and equipment, printing of documents, surveys etc as may be applicable. The costs should be broken down to be clearly understood by the procuring entity.
- 4.2 The financial proposal shall be in Kenya Shillings or any other currency allowed in the request for proposal and shall take into account the tax liability and cost of insurances specified in the request for proposal.
- 4.3 The financial proposal should be prepared using the Standard forms provided in this part.
- 4.4 The financial proposal should break down the cost for each of the consultancy years sought on this consultancy.

SECTION IV - FINANCIAL PROPOSAL STANDARD FORMS

1. FINANCIAL PROPOSAL SUBMISSION FORM

_____ [Date]

To: _____

[Name and address of Client]

Ladies/Gentlemen:

We, the undersigned, offer to provide the consulting services for
_____ in accordance with your Request for Proposal dated
(_____) [Date] and our Proposal. Our attached Financial Proposal is for
the sum of (_____)
[Amount in words and figures] inclusive of the taxes.

We remain,

Yours sincerely,

_____ *[Authorized Signature]*
:
_____ *[Name and Title of Signatory]:*
_____ *[Name of Firm]*
_____ *[Address]*

2. SUMMARY OF COSTS

Costs	Currency	Amount(s)
Subtotal		
Taxes		
Total Amount of Financial Proposal		<hr/>

Please provide prices for each lot separately

3. BREAKDOWN OF PRICE PER ACTIVITY

Activity NO.: _____	Description:_____
Price Component	Amount(s)
Remuneration	
Reimbursable	
Miscellaneous Expenses	
Subtotal	_____

4. BREAKDOWN OF REMUNERATION PER ACTIVITY

Activity No. _____		Name: _____		
Names	Position	Input(Staff months, days or hours as appropriate.)	Remuneration Rate	Amount
Regular staff				
(i)				
(ii)				
Consultants				
Grand Total				

5. REIMBURSABLES PER ACTIVITY

Activity No: _____

Name: _____

No.	Description	Unit	Quantity	Unit Price	Total Amount
1.	Air travel	Trip			
2.	Road travel	Kms			
3.	Rail travel	Kms			
4.	Subsistence Allowance	Day			
	Grand Total				

6. MISCELLANEOUS EXPENSES

Activity No. _____ Activity Name: _____

No.	Description	Unit	Quantity	Unit Price	Total Amount
1.	Communication costs (telephone, telegram, telex)				
2.	Drafting, reproduction of reports				
3.	Equipment: computers etc.				
4.	Software				
	Grand Total				

SECTION V: - TERMS OF REFERENCE

TERMS OF REFERENCE FOR PROVISION OF TRANSACTION ADVISORY SERVICES ON MERGER OF INDUSTRIAL AND COMMERCIAL DEVELOPMENT CORPORATION, IDB CAPITAL LIMITED AND TOURISM FINANCE CORPORATION

I. INTRODUCTION

1. The Big 4 priority areas, namely; food security, manufacturing, universal health and affordable housing, that have been identified by His Excellency the President in the agenda for his second term call for immediate reforms in key institutions that will be expected to deliver various aspects of the Agenda, among them the Development Finance Institutions (DFIs) in view of their critical role in provision of the required long-term financing.
2. Five of these DFIs, which are wholly owned and/or are controlled by the Government were subject of review by the Taskforce on Parastatal Reforms, appointed by His Excellency the President, that submitted its report in December 2013. Among other challenges, the report noted the DFIs' decline since 1980s, continued deterioration in both financial terms and ability to deliver effectively in their mandates over the years and delays on decision regarding their strategic direction, financing and future operation.
3. The Taskforce recommended merger of the Government Owned/Controlled DFIs into a single cross-sector DFI. In this connection, a merger Team comprising of Chief Executive Officers (CEOs) and Heads of Human Resources, Finance and Legal Services from four (4) DFIs was constituted and tasked with the responsibility of reviewing the mandates and legal, financial, organizational and human resources of the four institutions and developing recommendations for effecting the planned merger.
4. As part of its work, the Team undertook an elaborate Merger Risk Analysis and submitted proposals and mechanisms for mitigating the identified risks. The Team also prepared and submitted the incorporation documents for establishment of the new bank. It also submitted a roadmap, attached as Annex I, which has been reviewed and amended in line with current proposals and timing. The Merger Team recommendations were reviewed and approved by the Cabinet.
5. To implement the recommendations, a Merger Steering Committee has been formed to coordinate implementation of the Merger and to oversee the merger. An Implementation Unit, with staff fully dedicated to the merger work, to work with other teams constituted by the Taskforce, to assist the Taskforce in setting up internal systems and structures has also been formed. In addition, the Steering

Committee is also seeking the services of a consultant to assist in undertaking a number of activities outlined in the scope of work below.

II. SCOPE OF WORK

6. The advisory Team will be required to familiarize itself with the work undertaken by the Merger Team and to submit comments and recommendations that may clarify, improve, strengthen and support implementation of the merger transaction. In this respect the advisory team will be required:
 - (a) To review the proposed merger strategy including the proposed strategic direction of the new entity, the identified resources to support realization of the envisaged synergies and objectives, the synergies and any incompatibilities mapped out by the Team and any other aspects that may assist to enhance the strategic fit and performance of the merged institution and the proposed organization structures, and merger processes; and recommended strategies to address human resource, financial, ICT and regulatory issues;
 - (b) To review the list of key risks (financial, regulatory, organizational, cultural and other risks) and the recommended mitigation measures to facilitate implementation of a successful merger process;
 - (c) To review the detailed merger work plan and program, including the identified steps and timing, the rationale for each major step; and critical assumptions made in developing the proposed timetable.
 - (d) To review the identified governance, legislative and regulatory framework and required changes to effect the merger;
 - (e) To identify any strategy and implementation gaps and advise the Taskforce on other actions/activities that may be necessary to: ensure full compliance; minimise any implementation risks that could arise; minimise period of uncertainty to staff, customers and other key stakeholders; and minimise tax and other restructuring costs to both the businesses and the Government and to address any other challenges that may arise.

7. The Advisory Team will also be required: -
 - (a) To carry out high level business, commercial and legal due diligence on each of the DFIs’.
 - (b) To assist the Taskforce and the Interim Board to review KDB’s business case and to prepare proforma financial model, including the development of

financial performance parameters and projections, as a guide in realizing the identified synergies and achieving the desired cost savings and efficiency levels.

- (c) To make any additional recommendations to enhance viability, efficiency and effectiveness of the merged entity to meet the needs of the enlarged customer base in line with the Government policy objectives under the Big 4 Agenda
- (d) To undertake valuation of the minority shareholders' shares to be transferred to KDB and to recommend the amount payable to each of the minority shareholders.
- (e) To support consensus building and briefing sessions by preparing and/or making presentations, to assist in any negotiations that may come up as a result of the merger process and to assist merger implementation by preparing draft documents that may be required to effect implementation of the merger.
- (f) To prepare and support a comprehensive Merger Implementation Communication Strategy.
- (g) To propose and initiate a change management programme to support the new DFIs transformation agenda.
- (h) To undertake any other advisory activities that may be necessary to implement the merger.

III. QUALIFICATION AND EXPERIENCE OF TRANSACTION ADVISOR

8. The firms submitting proposals should demonstrate that they can mobilize and deploy multiple skills that will be required including:
- (h) Extensive advisory experience, particularly for mergers and acquisitions;
 - (i) Business review and strategy advisory experience in the banking and/or DFI space;
 - (j) Expertise in carrying out financial, commercial, human resource and legal due diligence and advising on related issues;
 - (k) Valuation of banks;
 - (l) Change Management;
 - (m) Communication Strategy; and
 - (n) Public sector transaction advisory experience – as an added advantage.

9. A firm that does not have all the expertise for the assignment in-house may associate with another firm to provide the full range of the required expertise. However, any associating firm can associate with one firm only (i.e. be a member of only one consortium) for purposes of this assignment. Proposals by a firm associating with more than one firm will be rejected.

IV. DURATION, TIME FRAME AND REPORTING REQUIREMENTS

10. The assignment is planned to take 12 months. Its key outputs will include: -
- (a) An inception report (including a draft work plan and comments on review of the completed work) at the end of the first two (2) weeks. Report also to include initial list of required approvals and notifications and the draft Communication Strategy.
 - (b) Draft and Final High-Level Business Review report (covering high level financial, technical and legal due diligence) at the end of twelve (12) weeks and fourteen (14) weeks, respectively. The report to include a final list of regulatory approvals that may be required and a final implementation Roadmap.
 - (c) Draft and Final KDB Business case and Proforma Financial Model report at the end of fourteen (14) weeks and sixteen (16) weeks, respectively.
 - (d) Draft and final DBK valuation report at the end of fourteen (14) weeks and Sixteen (16) weeks, respectively.
 - (e) Draft and final merger Execution Reports within Forty-Six (46) weeks and Forty-Eight (48) weeks of commencement of implementation assignment, respectively.

ANNEX: CONTRACT FORMS

**CONTRACT FOR CONSULTING SERVICES
SMALL ASSIGNMENTS
LUMP-SUM PAYMENTS**

CONTRACT

This Agreement, [hereinafter called “the Contract”) is entered into this _____
[Insert starting date of assignment], by and between
_____ [Insert Client’s name] of [or whose registered
office is situated at] _____ [insert Client’s
address](hereinafter called “the Client”) of the one part AND

_____ [Insert Consultant’s name] of [or whose
registered office is situated at] _____ [insert
Consultant’s address](hereinafter called “the Consultant”) of the other part.

WHEREAS the Client wishes to have the Consultant perform the services
[hereinafter referred to as “the Services”, and

WHEREAS the Consultant is willing to perform the said Services,

NOW THEREFORE THE PARTIES hereby agree as follows:

- 1. Services**
- (i) The Consultant shall perform the Services specified in Appendix A, “Terms of Reference and Scope of Services,” which is made an integral part of this Contract.
 - (ii) The Consultant shall provide the personnel listed in Appendix B, “Consultant’s Personnel,” to perform the Services.
 - (iii) The Consultant shall submit to the Client the reports in the form and within the time periods specified in Appendix C, “Consultant’s Reporting Obligations.”
- 2. Term**
- The Consultant shall perform the Services during the period commencing on _____ [Insert starting date] and continuing through to _____ [Insert completion date], or any other period(s) as may be subsequently agreed by the parties in writing.
- 3. Payment**
- A. Ceiling
For Services rendered pursuant to Appendix A, the Client shall pay the Consultant an amount not to exceed _____ [Insert amount]. This amount has been established based on the understanding that it includes all of the Consultant’s costs and profits as well as any tax obligation that may be imposed on the Consultant.
 - B. Schedule of Payments

The schedule of payments is specified below (Modify in order to reflect the output required as described in Appendix C.)

Kshs _____ upon the Client's receipt of a copy of this Contract signed by the Consultant;

Kshs _____ upon the Client's receipt of the draft report, acceptable to the Client; and

Kshs _____ upon the Client's receipt of the final report, acceptable to the Client.

Kshs _____ Total

C. Payment Conditions

Payment shall be made in Kenya Shillings unless otherwise specified not later than thirty [30] days following submission by the Consultant of invoices in duplicate to the Coordinator designated in Clause 4 herebelow. If the Client has delayed payments beyond thirty (30) days after the due date hereof, simple interest shall be paid to the Consultant for each day of delay at a rate three percentage points above the prevailing Central Bank of Kenya's average rate for base lending.

4. Project Administration

A. Coordinator.

The Client designates _____ [insert name] as Client's Coordinator; the Coordinator will be responsible for the coordination of activities under this Contract, for acceptance and approval of the reports and of other deliverables by the Client and for receiving and approving invoices for payment.

B. Reports.

The reports listed in Appendix C, "Consultant's Reporting Obligations," shall be submitted in the course of the assignment and will constitute the basis for the payments to be made under paragraph 3.

5. Performance Standards

The Consultant undertakes to perform the Services with the highest standards of professional and ethical competence and integrity. The Consultant shall promptly replace any employees assigned under this Contract that the Client considers unsatisfactory.

6. Confidentiality

The Consultant shall not, during the term of this Contract and within two years after its expiration, disclose any

proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client.

7. Ownership of Material

Any studies, reports or other material, graphic, software or otherwise prepared by the Consultant for the Client under the Contract shall belong to and remain the property of the Client. The Consultant may retain a copy of such documents and software.

8. Consultant Not to be Engaged in certain Activities

The Consultant agrees that during the term of this Contract and after its termination the Consultant and any entity affiliated with the Consultant shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.

9. Insurance

The Consultant will be responsible for taking out any appropriate insurance coverage.

10. Assignment

The Consultant shall not assign this Contract or sub-contract any portion of it without the Client's prior written consent.

11. Law Governing Contract and Language

The Contract shall be governed by the laws of Kenya and the language of the Contract shall be English Language.

12. Dispute Resolution

Any dispute arising out of the Contract which cannot be amicably settled between the parties shall be referred by either party to the arbitration and final decision of a person to be agreed between the parties. Failing agreement to concur in the appointment of an Arbitrator, the Arbitrator shall be appointed by the chairman of the Chartered Institute of Arbitrators, Kenya branch, on the request of the applying party.

FOR THE CLIENT

FOR THE CONSULTANT

Full name; _____ Full name; _____

Title: _____ Title: _____

Signature; _____ Signature; _____

Date; _____ Date; _____

LIST OF APPENDICES

Appendix A: Terms of Reference and Scope of Services

Appendix B: Consultant's Personnel

Appendix C: Consultant's reporting Obligations

LETTER OF NOTIFICATION OF AWARD

Address of Procuring Entity

To: _____

RE: Tender No. _____

Tender Name _____

This is to notify that the contract/s stated below under the above mentioned tender have been awarded to you.

1. Please acknowledge receipt of this letter of notification signifying your acceptance.
2. The contract/contracts shall be signed by the parties within 30 days of the date of this letter but not earlier than 14 days from the date of the letter.
3. You may contact the officer(s) whose particulars appear below on the subject matter of this letter of notification of award.

(FULL PARTICULARS) _____

SIGNED FOR ACCOUNTING OFFICER