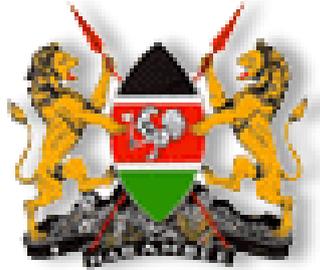


REPUBLIC OF KENYA

THE NATIONAL TREASURY

P. O. BOX 30007 - 00100

NAIROBI



REQUEST FOR PROPOSALS (RFP)

FOR

**PROVISION OF CONSULTANCY SERVICES
FOR THE NATIONAL ASSET & LIABILITY
MANAGEMENT IN PUBLIC SECTOR TO
UNBUNDLE ITS MANDATE**

TENDER NO: TNT/016/2017 - 2018

CLOSING DATE: THURSDAY 7TH DECEMBER, 2017 AT 10.00 AM.

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**SECTION I - LETTER OF INVITATION
REPUBLIC OF KENYA**

**THE NATIONAL TREASURY
INVITATION TO TENDER
PROVISION OF CONSULTANCY SERVICES FOR THE NATIONAL ASSET &
LIABILITY MANAGEMENT IN PUBLIC SECTOR TO UNBUNDLE ITS MANADATE
TENDER NO. TNT/016/2017-2018**

The National Treasury invites Request for Proposals (RFP) from interested consultants for provision of consultancy services for the National Asset & Liability Management in Public Sector to unbundle its mandate.

Interested consultants may obtain detailed information from and inspect the Request for Proposal documents at Treasury Building, Harambee Avenue, Nairobi, Room 601 during normal working hours.

A complete set of tender documents may be downloaded by interested candidates free of charge at <http://treasury.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 **Thursday 7th December, 2017 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 603 on **Thursday 7th December, 2017 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 The formulae for determining the Financial Score (Sf) shall, unless an alternative formulae is indicated in the Appendix "ITC", 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; $T + p = 1$) indicated in the Appendix. 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.
- 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, NATIONAL ASSET & LIABILITY MANAGEMENT**

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

2.1.2 Technical and Financial Proposals are requested for: **CONSULTANCY SERVICES FOR THE NATIONAL ASSET & LIABILITY MANAGEMENT IN PUBLIC SECTOR TO UNBUNDLE ITS MANDATE.**

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 tender 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. Listed firms / entities are not allowed to associate;

b. The estimated number of consultancy months / days required for the assignment is: **Twelve (12) months;**

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

- i. Be a graduate with professional qualification of over 10 years post registration;
- ii. At least 10 years of experience in public financial management;
- iii. Have experience in developing or application of accounting policies and standards in governments
- iv. Have experience in related asset/liability management assignments in Kenya or the region /internationally;
- v. Have extensive experience working with and collaborating with stakeholders in governments;
- vi. Have an understanding of relevant legislation in Kenya in regards to asset and liability acquisition/incurring, management, disposal as well as government transport and fleet management, global best practise and reporting
- vii. Be familiar with computerized financial management systems or information technology systems for government bodies; and
- viii. Demonstrable experience in development of strategic plans

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:

Thursday 7th December, 2017 at 10.00 a.m.

2.6.1 The address to send information to the Client is:

**Principal Secretary,
The National Treasury,**

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

Evaluation Criteria

Must have a certificate of incorporation/registration and a valid tax compliance certificate (**Mandatory**).

- (i) Specific Experience of the firm/consultant related to the assignment. **(20)**
 - a. Should have professional membership from a recognized body (2)
 - b. Have been in existence for at least 10 years (2)
 - c. Experience in providing technical advice on policy formulation and capacity building in the public sector for at least 10 years; (3)
 - d. Demonstrate a track record of working with Governments with extensive knowledge of public financial management systems for at least 5 years; (2)
 - e. Sound knowledge of relevant ICT applications for the public sector; (2)
 - f. Experience in training and implementation of financial/public policies; (2)
 - g. Expertise in carrying out financial, commercial, human resource and legal due diligence and advising on related issues; (3)
 - h. Experience in undertaking business reviews; and (2)
 - i. Demonstrate working with public sector and have experience in The assignments dealing with assets and liabilities for Ministries or counties or local authorities. (2)

- (ii) Adequacy of the proposed work plan and methodology in responding to the Terms of Reference. **(30)**
 - a. Methodology of implementing the assignment (15)
 - b. Understanding the scope of work / interpretation of TOR's (10)
 - c. Work plan to incorporate all the activities to be undertaken as per the Terms of Reference (5)

- (iii) Qualification and competence of key staff for the assignment **(50)**

The Lead Consultant - (20)

- a. Be a graduate and professional qualification with over 10 years post registration; (3)
- b. At least 10 years of experience in public financial management; (2)
- c. Have experience in developing or application of accounting policies and standards in governments (3)
- d. Have experience in related asset/liability management

- assignments in Kenya or the region /internationally; (4)
- e. Have extensive experience working with and collaborating with stakeholders in governments; (2)
- f. Have an understanding of relevant legislation in Kenya over asset and liability acquisition/incurring, management, disposal as well as government transport and fleet management, global best practise and reporting; (2)
- g. Be familiar with computerized financial management systems or information technology systems for government bodies; and (3)
- h. Demonstrable experience in development of strategic plans (1)

Other key staffs – (30) at least 5

- a. At least a bachelor’s degree from a university (6)
- b. should be professionally qualified with membership to a professional bodies recognized in Kenya (6)
- c. Have experience in related asset/liability management assignments in Kenya or the region /internationally (6)
- d. Specific experience in Kenya government systems will be an added advantage (6)
- e. should also have excellent writing and communication skills

The number of points to be given to each evaluation sub criteria for qualification of staff are:

	Points
(i) Experience of the firm/consultant	20
(ii) Proposed work plan and approach	30
(iii) Key Professional personnel	50
Total	100

The minimum technical score required to pass is 80 points.

2.8.5 The formulae for determining the Financial Score (Sf) is as follows:-

There shall be no formulae for determining the financial score. The tender to be awarded based on the following;

- **Consultant who scores 80% and above shall be considered for financial evaluation.**
- **Consultants who has score 80% and above in the detailed technical evaluation and has the lowest bid price will be considered for award.**

2.9.1 The address for negotiations is:

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

Months (in the Form of a Bar Chart)

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

Consultancy services for the National Asset & Liability Management in Public Sector to unbundle its mandate

Part 1 Introduction and Context

1.1 Background

The National Treasury derives its mandate from the Constitution of Kenya 2010 Chapter 12, sections 220-227 which provides for proper budgetary and expenditure management of government financial resources.

The Mandate of the National Treasury is to formulate financial and economic policies, effective coordination of Government financial operations, and management of public finances for the rapid and sustainable economic development of Kenya guided by the Public Finance Management Act 2012. The Act Provides for the effective management of public finances by the National and County Governments; oversight responsibility of parliament and county assemblies; and the different responsibilities of government entities and other bodies.

To this end, the National Treasury has initiated several Public Financial Management Reform (PFMR) initiatives under the PFMR strategy 2013-2018 which seeks to make Public Finance Management more efficient, effective, participatory and transparent resulting in improved accountability and better service delivery for Kenyans while integrating the new tier of County government who also have PFM responsibilities. The PFMR strategy has seven priority themes outlining key PFM reforms; each theme has an overall objective linked to the implementation of the constitution and the Public Management Act 2012. The themes are as follows:

1. Macro-economic Management and Resource Mobilization
2. Strategic Planning and Resource allocation
3. Budget execution, Accounting & Reporting and Review
4. Independent Audit and Oversight
5. Fiscal decentralization and Intergovernmental Fiscal Relations
6. Legal and institutional frameworks
7. IFMIS and other PFM Systems

There are five (5) Directorates in the National treasury which are: Directorate of accounting services, Directorate of budget, fiscal and economic affairs, Directorate of Public Investments & portfolio management, Directorate of public debt management and Directorate of administrative services.

The Directorate of Public Investments & Portfolio Management (PIPM) headed by the Director General of Public Investments & Portfolio Management reports to the Cabinet Secretary through the Principal Secretary. The Directorate is organised into three technical departments and the Public, Private, Partnership (PPP) unit. The three technical departments are: Department of Government Investments and Public Enterprises (GIPE), Department of National Assets and Liabilities Management (NALM) and Pensions Department.

The Department of National Assets and Liabilities Management is headed by a Director. The Director is responsible to the Director General Public Investments & Portfolio Management on the following functions:

- i. Initiate Policy, legislation and regulation on assets management
- ii. Develop policies and regulation on non-financial assets management
- iii. Develop policies and framework for managing government non-financial Assets
- iv. Maintain an accurate and up to date inventory of government assets
- v. Model approach to assets management based on international based practices
- vi. Determine the optimum assets level as a tool for allocating resources
- vii. Participate in formulation of criteria for procurement and disposal of Assets
- viii. Formulate and implement assets management policy in the government
- ix. Standardize assets model and operational parameters
- x. Monitor fiscal risk assessment and make appropriate recommendations
- xi. Provide support to counties on developing assets management policy and strategy
- xii. Undertake research on assets management to inform policy development
- xiii. Establishment of the government transport management division
- xiv. Develop a framework for fleet management in National and County Governments
- xv. Any other function that may be allocated by the National Treasury

The Cabinet Secretary to the Treasury (Incorporation) Act Revised 2012 (1982) chapter 101 states that the Cabinet Secretary to the Treasury of Kenya (“hereinafter called “Corporation”) may acquire, purchase, take, hold and enjoy movable and immovable property of every description, and may convey, assign, surrender and yield up, mortgage, charge, demise, reassign, transfer or otherwise dispose of, or deal with, any movable and immovable property vested in the Corporation upon such terms as to the Corporation seems fit; and in respect of or in connection with the matters aforesaid or any of them, the Corporation may do all such things and acts as bodies corporate may lawfully do.

All deeds, documents or other instruments requiring the seal of the Corporation shall be sealed with the seal of the Corporation in the presence of the officer for the time being discharging the duties of the office of the Cabinet Secretary to the National Treasury of Kenya, who shall sign every such deed, document or other instrument to which the corporate seal is affixed, and that signing shall be sufficient evidence that the seal was duly and properly affixed and that it is the lawful seal of the corporation.

1.2 Existing legal and Institutional framework for Public sector Assets and Liabilities management

GoK through the Cabinet Secretary/ National Treasury has for years owned assets and incurred liabilities but there has never been a standardized policy or system to record the existence of assets immediately they are procured and liabilities when they are incurred. Kenya’s main stream public sector accounting is on a cash basis, hence the government uses IPSAS cash basis where all assets and liabilities are expensed. This system of accounting is different from accrual-based accounting which separates cash, assets and liabilities. Procurement process, asset and liability management in the public entities within the Ministries, Departments,

Agencies and Counties Governments remain largely manual. The Policies on asset and identification acquisition, maintenance, disposal of, valuation, recording, writing off assets are not standardised same as liability identification, recognition, measurement and disclosure. This not only makes the asset and liability identification, valuation and eventual recognition in the financial statements (Or registers) process laborious and time consuming but asset and liability information can easily be lost. These makes auditing of Government Assets and Liabilities difficult and therefore affecting financial management and reporting.

1.3 Challenges faced in public sector assets and liabilities management

- 1) Lack of asset and liability management policy – treatment of assets and liabilities in terms of accounting and reporting is therefore not uniform across the Public Sector.
- 2) Kenya’s mainstream Public Sector accounting is on cash basis-This limits the Country’s capacity in public assets reporting, control and management.
- 3) Lack of reliable information on Public Assets and related Liabilities-This hinders the determination of assets’ value as well as evaluations of public sector assets portfolio management.
- 4) There is lack of a public assets registry or a defined classification criteria-where records of public assets exist. The information is fragmented and spread across MDAs. In order to make optimal decision regarding management of public assets, it’s critical that Government has all the necessary information pertaining to assets, liabilities. Revenues and expenditures.

Considering the role of the National Treasury in Asset and Liability Management, the Director of the Department of National Assets and Liabilities recognizes the need for an understanding and interpretation of the mandate of the department and what needs to be done to fulfil this mandate. This framework will enable the department to effectively discharge its mandate through proper understanding and interpretation of its roles and responsibilities vis a vis other MDAs with related mandate.. The framework will be followed by all public sector entities for the standardization, identification, acquisition, maintenance, disposal of, valuation/revaluation, recording and writing off assets and identification, and disclosure of liabilities. It is in this regard that The National Treasury would like to engage a consultant for an assignment that forms the subject of these terms of reference (ToRs) to professionalize management of assets and liabilities in the public sector.

1.4 Objective of the assignment

The objective of this assignment is to assist the National Assets and Liabilities Department in understanding their mandate , resources needed to fulfil that mandate and develop an efficient Asset and Liability Management legal, institutional and Policy framework for the Public Sector Entities consistent with internationally recognized standards. Through such a policy, government should be able to support other planned reforms such as:

- (a) Develop fixed asset and liability IMS for all MDAs;
- (b) Development of procedures on accounting of assets and liabilities; and,
- (c) Progressive adoption of the accrual based IPSAS through improvements in the quality of the government financial statements and asset and liability management by the progressive disclosure of information relating to assets and liabilities.
- (d) Develop a framework for the National and County Government Assets Registers

The Key stages for this to be achieved will involve the following:

1. Assisting the National Assets and Liability Management Department in understanding their mandate and identifying the resources they need to do that;
2. Development of asset and liability management policy and guidelines;
3. Training of the officers on policy/guideline and supervision of asset and liability identification/initial cost allocation; and,
4. Financial statement recognition, measurement and disclosure in accordance with IPSAS (Cash and Accrual)
5. Develop a National Government Register and assist counties with a framework of developing their own registers.

Part 2 Scope of the Work

The activities under this assignment shall be limited to assisting the National Assets and Liability Management Department in understanding their mandate and the resources they need to fulfill that, development of asset and liability management policy and guidelines and training.

2.1 Overview of Phases

The scope of work will include three phases, namely:

1. Phase 1 – Developing the strategic plan for the National Assets & Liabilities Management Department. This shall among others outline the mandate, structure and the resources required to enable the Department function optimally.
2. Phase 2 – Development of asset and liability management policy guidelines covering management of both financial and non-financial assets at both National and County Governments; and Training of Trainers on the policy and guidelines
3. Phase 3 – Technical Support to the Department in asset identification, initial value allocation (cost based) and development of a national government asset register.

NB; Phase 1&2 will be carried out simultaneously

2.2 Specific objectives for each Phase

2.2.1 Phase 1: – Developing the strategic plan for the National Assets & Liabilities Management Department.

The overall objective of this phase is to assist the National Assets and Liability Management Department in understanding their mandate and identifying the resources needed to fulfil this mandate. The following should also be taken account:

- a) The Strategic plan should take into account best practices across the region;
- b) Comprehensive review of the current laws and legislation (Public Procurement and Disposal Act - PPDA, Public Finance Management Act, State Corporations Act, and Treasury Act etc) in relation to the mandate of the NALM department. Advise the department of any contradictions between the laws and legislation and their mandate. Recommend to the department of ways to adhere to the legislation and laws and working around the same.
- c) Assess the Capacity of the NALM department vis a vis its mandate and advise on what resources (People, tools, Skills, Technology and Equipment etc) are needed for the Department to fulfil its mandate.
- d) Identify the role of other public entities involved in assets and liabilities management and propose a clear working relationship between the department and such entities ie Privatization Commission, Public Private Partnerships unit, GIPE. Ministry of Lands Public Debt management office and Accounting services Departments
- e) Develop a reporting template on assets and liabilities management for use by reporting entities.

2.2.2 Phase 2: - Development of asset and liability management policy and guidelines

- i. Identifying, classification and defining non-current and intangible assets of the National and County Governments and providing guidance on the type of assets that should be considered under both categories;
- ii. Provide guidance for the first time development/compilation of an asset register at entity level and a consolidated national register, this will inform the formation of a central repository/national assets registry;
- iii. Providing guidance on recognizing the value of an asset and what elements constitute the value such as purchase price, discounts, freight, installation costs, period of use etc
- iv. Determine the threshold and requirements for recognizing and classifying an asset as non-current or intangible
- v. Provide guidance on receipt and recording of both non-current and intangible assets. The policy should incorporate guidance on maintaining comprehensive records of fixed assets that clearly provides information on the purchase date, purchase cost, depreciation, net book value, condition and location of each asset

- vi. Provide guidance on the accounting treatment for both non-current and intangible assets under IFRS for GBEs, current accounting framework of the GoK (IPSAS cash basis) and eventual transitioning to accruals basis IPSAS by GoK
- vii. Provide guidance on depreciation of assets based on the different classes identified. Each class of assets should have a well-defined depreciation rate based on the useful life of the asset
- viii. Define roles and responsibilities for receiving, categorization, recording and safeguarding assets while ensuring segregation of duties and developing an assets Management strategy
- ix. Link the acquisition and management of assets to relevant laws and regulations such as the PPDA 2015
- x. Define minimum internal controls to safeguard assets such as physical verification of assets and insurance of assets. The policy should be clear on the process of follow up and resolving variances following the physical verification of assets and updating accounting records with the results of the verification
- xi. Provide guidance on valuation of assets in line with applicable accounting standards (both IFRS and IPSAS) and accounting for revalued assets
- xii. Provide guidance on recognising and accounting for specialised and infrastructure assets of the government such as military equipment, roads and bridges of the Government of Kenya
- xiii. Provide guidance on accounting treatment of disposal of assets and link disposal processes to the PPDA 2015
- xiv. Provide guidance on loss or damage of assets and accounting treatment to recognise the loss or damage, including recovery of the asset or asset value through insurance arrangements
- xv. Set out the approach to be adopted in regularly reviewing the carrying amounts of assets and, where appropriate writing down or revaluing assets
- xvi. Provide guidance on recognition and disclosure of government investments
- xvii. Provide guidelines for infrastructure projects running into multiple years
- xviii. Provide policies on recognition and disclosure of current assets e.g Imprests, Cash and Cash equivalents, T-Bills etc
- xix. Link the asset management policy to the current information management system of the government and review the possibility of enhancing the asset management in the system, such as maintaining the fixed assets register.
- xx. Provide guidelines for Counties to prepare their own their own assets Management Policy
- xxi. Identifying and defining current and non-current liabilities of the National and County Governments and providing guidance on the type of assets that should be considered under both categories

- xxii. Provide guidance for the first time development/compilation of an liability list/register at entity level and a consolidated national register, this will inform the formation of a central repository
- xxiii. Providing guidance on recognising the value of a liability and what elements constitute the value;
- xxiv. Determine the threshold and requirements for recognising and classifying an liability as current or non-current
- xxv. Provide guidance on the accounting of liabilities under IFRS for GBEs, current accounting framework of the GoK (IPSAS cash basis) and eventual transitioning to accruals basis IPSAS by GoK
- xxvi. Define roles and responsibilities for identifying, measuring and recognising of liabilities
- xxvii. Link the identification and management of liabilities to relevant laws and regulations such as the PPDA 2015, PFM Act etc
- xxviii. Provide guidance on valuation of liabilities in line with applicable accounting standards (both IFRS and IPSAS) and accounting for revalued liabilities
- xxix. Provide guidance on recognising, disclosing and accounting for specialised liabilities of the government such as contingent liabilities, pending bills etc
- xxx. Set out the approach to be adopted in regularly reviewing the carrying amounts of liabilities and, where appropriate revaluing the liabilities
- xxxi. Link the liability management policy to the current information management system of the government and review the possibility of enhancing the liability management in the system, such as maintaining a liability list/register
- xxxii. Develop a framework of identification and quantification of contingent liabilities in MDAs
- xxxiii. Develop an implementation plan for the effective implementation of the policy, clearly identifying all the issues that will need to be addressed.

2.2.3 **Phase 3:** - Technical Support to the Department in asset identification, initial value allocation (cost based) and development of a national government asset register.

- a) Hold a workshop to sensitize key stakeholders on the purpose of the policy and mandate of the department. The consultant will collaborate with National Treasury and the key stakeholders to participate in this workshop
- b) Develop an implementation plan for the effective implementation of the policy, clearly identifying all the issues that will need to be addressed.
- c) On the job training of departmental staff: The consultant should indicate his plan on how guidance and supervision of asset identification/initial cost allocation is going to be carried out at the entity level.

2.3 Crosscutting Objectives

In undertaking the above activities, the consultant shall ensure the following objectives are met;

- (i) The consultant should understand the current practices in asset and liability management for GoK including relevant legislation guiding asset management to ensure the asset and liability policy is in line with existing legislation and GoK procedures/practices;
- (ii) The consultant should analyse the current practices and identify gaps which should be covered by the asset policy in line with the existing legislation and also where the current legislation may need to be updated;
- (iii) The consultant should understand the mandate of the now defunct transitional authority, the gains made in review of the subject matters and the gap still needed to be addressed in view of the subject matter;
- (iv) The consultant should also consult other key GOK officials as may be necessary in the various agencies of Government which have the responsibility for Public Financial Management processes, and IT management;
- (v) The consultant should develop policies that are consistent with international standards and this should provide guidance in complying with the current accounting and reporting framework of the Government (IPSAS cash basis), IFRS for GBEs and **IPSAS Accrual in anticipation of the Government eventual transitioning to accruals basis IPSAS**;
- (vi) The policies shall be mandatory for all the public sector entities, but it is expected that the entities may adopt processes which reflect each entity's circumstances and operational characteristics. The processes should be guided by the policy that will be developed;

The process of developing the policy should be participative and the final asset and liability policy should be presented to and approved by key stakeholders. Accordingly, the Consultant will be expected to work closely with:

- i. The Director, Accounting Services – National Treasury
- ii. Office of the Auditor General (OAG);
- iii. Intergovernmental Relations Technical Committee
- iv. Inspectorate of State Corporations;
- v. Chief Government Valuer;
- vi. Council of Governors/County Governors;
- vii. Commissioner of Lands;
- viii. Commission on Revenue Allocation;
- ix. Principal Secretary to the National Treasury;
- x. The Controller of Budget;
- xi. Director General- Public ' Investment and Portfolio Management ;
- xii. The Attorney General;
- xiii. Board Chairs and heads of various Independent Constitutional Commissions and Offices;
- xiv. Privatization Commission
- xv. Public Sector Standard Accounting Board
- xvi. State department of public works
- xvii. DG-Debt Management

Part 3 Qualifications and experience of Consultant

3.1 Consultancy firm qualifications

The specific firm expertise required for this assignment includes but is not limited to the following:

- Should be a registered firm in Kenya which is tax compliant
- Should have professional membership from a recognized body
- Have been in existence for at least 10 years
- Experience in providing technical advice on policy formulation and capacity building in the public sector;
- Demonstrate a track record of working with Governments with extensive knowledge of public financial management systems;
- Sound knowledge of relevant ICT applications for the public sector;
- Experience in training and implementation of financial/public policies;
- Expertise in carrying out financial, commercial, human resource and legal due diligence and advising on related issues;
- Experience in undertaking business reviews; and
- Experience in assets and liabilities management.

3.2 Specific Qualifications of the Key proposed Team members

The **lead consultant** should have the following profile;

- i. Be a graduate with professional qualification of over 10 years post registration;
- ii. At least 10 years of experience in public financial management;
- iii. Have experience in developing or application of accounting policies and standards in governments
- iv. Have experience in related asset/liability management assignments in Kenya or the region /internationally;
- v. Have extensive experience working with and collaborating with stakeholders in governments;
- vi. Have an understanding of relevant legislation in Kenya over asset and liability acquisition/incurred, management, disposal , global best practise and reporting;
- vii. Be familiar with computerized financial management systems or information technology systems for government bodies; and
- viii. Demonstrable experience in development of strategic plans

3.3 Support team of consultants

The Support Consultants will be subject matter specialists in all anticipated areas of support to be provided to the National Treasury. They must have degrees and should be professionally qualified with membership to a professional bodies recognized in Kenya. They must demonstrate experience in their areas of expertise.

Specific experience in Kenya government systems will be an added advantage. They should also have excellent writing and communication skills & ability to write and speak fluently in English.

The team will draw on other specialists as needed like Engineers/Land Valuers/Actuarists, Accountants, Human Resource etc.

Part 4 Monitoring of Assignment and Technical Deliverables

4.1 Time Frames

For the duration of the assignment, the National Treasury will provide office space. The National Treasury will also designate GOK counterpart staff to work with the Consultant on specific activities throughout the assignment.

It is planned that the assignment shall commence on or about 1st October 2017 and concludes on or about 30th September 2018.

The assignment is therefore expected to entail approximately 12 months for information gathering, reviewing existing laws and regulations, developing the strategic plan for the department, developing the asset policy, collaborating with key stakeholders and presenting the developed asset and liability policy guidelines to National Treasury for approval.

Technical support in operationalization of the strategic plan and capacity building for Training of Trainers on the policy guidelines on Asset and Liability management is estimated to take Six (6) months.

4.2 Reports

For purposes of monitoring the progress of the assignment, the following outputs will be delivered:

- i. An inception report** detailing the proposed work program, strategy, methodology, timetable and expected outcome of the assignment will be submitted to the Director, NA&LM Department not later than two weeks after the start of the assignment.
- ii. A report upon completion of Phase 1 of this assignment** – at the end of eight (6) months from commencement of the assignment covering all the issues identified under the “scope of work” above. The report shall be very explicit on the asset & liabilities management policies to be applied by GoK and Strategic Plan for the Department. The report will also provide transitional steps towards implementing the recommended policies. A draft report will be formally presented to the DG-PIPM.

iii. A final report upon completion of Phase 1 and 2 of the assignment

- iv. **Progress reports** -The consultant will also be expected to produce monthly progress reports submitted to the Director NALM and, if mutually agreed, a series of position papers dealing with each of the main issues arising. These position papers, together with the draft report, would be the principal means of formal discussion with the National Treasury.

The Consultant will additionally be required to submit all deliverables electronically and in hard copy. The final report shall be submitted to the DG-PIPM at end of the 12th month of the assignment, and subsequent monthly reports during the period of the technical support.

4.3 Technical Deliverables:

The following technical deliverables are expected for each Phase:

Phases	Title	Deliverables
Phase 1	Developing the strategic plan for the National Assets & Liabilities Management Department.	Strategic Plan that shall enumerate among others the mandate of the Department, resource structure and work flows. Formal workshops and On-The-Job trainings to enable the Department staff understand and operationalize the Strategic Plan.
Phase 2	Development of assets and liabilities management policy guidelines covering management of both financial and non-financial assets at both National and County Governments; and Training of Trainers on the policy and guidelines	Assets and liabilities management policy guidelines for National Government. Assets and liabilities management policy guidelines for County Governments. Training materials for Training of Trainers. Capacity building of Department Staff and Training of Trainers.
Phase 3	Technical Support to the Department in asset identification, initial value allocation (cost based) and development of a national government asset register.	Methodology and requisite tools for the Department to consolidate national government asset register. On-the-job support to the department in collecting information necessary to consolidate national government register. A costed consolidated national government asset register. Technical Support to County Governments in developing their own asset registers.

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