



**MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES  
AND IRRIGATION**

**State Department for Crops Development**

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT  
PROGRAMME**

**PHASE II (ASDSP II)**

**P.O. BOX 30028 - 00100, NAIROBI**

**KILIMO HOUSE,**

**CATHEDRAL ROAD, NAIROBI**

**REQUEST FOR PROPOSALS FOR**  
**PROVISION OF ROLLING AUDIT**  
**MOALF&I/SDCD/ASDSP/RFP/001/2018-2019**

**CLOSING DATE: 20<sup>TH</sup> NOVEMBER, 2018**

**AT: 11.00 AM**

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## **Glossary**

RFP – Request for Proposal

GoS – Government of Sweden

GoK – Government of Kenya

ToR – Terms of Reference

EU - European Union

TIS – Tender Information Sheet

IT – Instruction to Tenders

ITT – Information to Tenders

## **LETTER OF INVITATION**

### **Rolling Audit of the Agricultural Sector Development Support Programme Phase II (ASDSP II)**

#### **Consultant Services financed by Government of Sweden (GoS)**

Ministry of Agriculture Livestock, Fisheries and Irrigation, state department for crops development now invites eligible Tenderers to submit a Tender for the following consulting services (“the Services”) in support of the Programme: “Rolling Audit of the Agricultural Sector Development Support Programme Phase II (ASDSP II) as further described in the Terms of Reference (“the TOR”) found in the Request For Proposal (RFP). The programme, jointly funded by Government of Kenya (GoK) and Government of Sweden (GoS) and EU through the Swedish International Development Cooperation Agency (sida) will provide funding for the services by making a budget of one million, six hundred and fifty thousand US dollars (USD 1,650,000) available during 5 years. It should be understood henceforth that funding from Sweden shall be inclusive of delegated funds from European Union (EU) as provided for in their delegated agreement.

The procurement of the “Services” will be undertaken in accordance with Kenya Public procurement and Disposal Act, 2015, [www.ppoa.go.ke](http://www.ppoa.go.ke) and will follow the procedures described in the attached “General Instructions to Tenderers” and Tender Information Sheet (TIS).

The firm selected will be required to enter into a contract with the Client based on the Contract Conditions found in the RFP. This RFP includes the following documents:

- Letter of Invitation;
- Section 1. Tender Information Sheet (TIS)
- Section 2. Instructions to Tenderers (ITS)
- Section 3. Standard Forms;
- Section 4. Terms of Reference (ToR);
- Section 5. General and Particular Contract Conditions;

For information on the general and specific rules and procedures for the preparation and submission of Tenders, please study carefully the Instructions to Tenderers ITT and the Tender Information Sheet TIS.

Please inform us through the given contacts upon receipt, that you have received this invitation to tender, and your intention to submit your Tender documents. Please provide the name and e-mail address of your contact person, in order to promptly receive any clarifications or amendments to this RFP.

Yours sincerely,

**Phoebe A. Odhiambo (Mrs)**  
**ASDSP II Coordinator**

### Timetable in Summary

<i>Activities</i>	<i>Date and Time</i>	<i>Instructions</i>
<b>Request for Clarifications</b>	<b>Not later than 7 calendar days before the submission date</b>	<b>Only requests in English by e-mail to: <u><a href="mailto:pc@asdsp.co.ke">pc@asdsp.co.ke</a></u> Questions and answers will be distributed to all registered tenderers.</b>
<b>Deadline for Submission of Tenders</b>	<b>20th November 2018 at 11:00AM (Local Kenya Time)</b>	
<b>Evaluation Planned Time</b>	<b>Be concluded by 19<sup>th</sup>, December 2018</b>	-
<b>Planned Commencement Date</b>	<b>14th January, 2019</b>	-

## **SECTION 1. TENDER INFORMATION SHEET (TIS)**

The Tender Information Sheet –TIS provides specific tender information to Tenderers related to the preparation and submission of Tenders for the “Services” that supplements the Instructions to Tenderers (ITT). Both sections should be carefully reviewed and read together by the Tenderer in its preparation of the Tender. It must be clearly understood that failure to comply with the detailed requirements of the RFP may lead to the rejection of the Tender. The procurement is governed by the provisions of the Kenyan procurement laws and regulations: Public Procurement and Disposal Act, 2015.

### **Tender Data**

<b>ITT Clause</b>	<b>References</b>	<b>Tender Information Data</b>
<b>1</b>	<b>General Information</b>	
1.1	<p><i>Name of the Client:</i></p> <p><i>Phone:</i></p> <p><i>E-mail:</i></p> <p><i>Contact person:</i></p>	<p>Ministry of Agriculture, Livestock, Fisheries and Irrigation</p> <p>ASDSP II Office, 6<sup>th</sup> floor, Hill Plaza, Ngong Road,</p> <p>P.O Box 30028- 00100GPO, Nairobi</p> <p>+254 724 256 157</p> <p><a href="mailto:pc@asdsp.co.ke">pc@asdsp.co.ke</a></p> <p>Phoebe A. Odhiambo(Mrs)</p> <p>ASDSP Coordinator</p> <p>National programme Coordinator</p>
	<i>Agreement</i>	<p>The agreement between Sweden and Kenya on General Terms and Conditions for Development Cooperation valid from December 2017.</p> <p>The Specific Agreement between the Government of Sweden and the Government of Kenya in support of the Agricultural Sector Development Support Programme Phase II (ASDSP II), December 2017 to December 2022</p>
	<i>Name of the “Services”</i>	“Rolling Audit of the Agricultural Sector Development Support Programme Phase II (ASDSP II)
	<i>Procurement Guidelines</i>	Kenya Public procurement and Disposal Act,2015, : <a href="http://www.ppoa.go.ke">www.ppoa.go.ke</a>
	<i>Selection and Evaluation Variant</i>	Quality and Cost Based Selection

ITT Clause	References	Tender Information Data
1.2	<i>Eligible Tenderers</i>	Procurement of services for contracts financed by ASDSP funds are open to all firms and individuals from any country but will not finance a contract or make payment to firms or individuals that are prohibited from participation by any act taken in compliance with a decision of the United Nations (UN) Security Council taken under Chapter VII of the Charter of the UN.
1.3	<i>Pre-Tender Meeting</i>	No
1.4	<i>Downstream Work:</i>	No
1.6	<i>Formal Qualification Requirements</i>	The Tenderer shall furnish satisfactory evidence with its Tender that the firm meets all obligations under Clause 1.7 a-d) in the General Instructions to Tenderers. Failure to do this may be a ground for rejection of the Tender.
1.7	<i>Minimum Financial and Technical Qualification Requirements</i>	<p>The tenderer shall have a solid financial and economic base; so that its liquidity is not less than 1 (one) and the solvency not less than 15 percent; the basis of calculation being figures accounted for in the most recent year of activity, or in the previous year if audited annual accounts are not yet available.</p> <p>The tenderer is requested to submit the following documents;</p> <ul style="list-style-type: none"> <li>- A certificate confirming that the above mentioned requirements for figures are fulfilled (or if not, provide a reasonable explanation);</li> <li>-a certificate confirming that the latest annual accounts (not older than two years) are approved by the auditors.</li> </ul> <p>The Consultant shall be one or several certified or chartered public accountants of a reputable auditing firm. The accountants and the firm shall have extensive experience, particularly of auditing foreign aid-financed projects and Kenyan Government agencies.</p>
<b>2 Clarification and Amendments</b>		
2.1	<i>Request for Clarifications</i>	Requests for Clarifications must be received by the Client at the address stated in Clause 1.1 above no less than 7 days before the deadline for submission of Tenders.

ITT Clause	References	Tender Information Data
<b>3 Preparation of Tenders</b>		
3.1	<i>Language of the Tender</i>	English
3.2	<i>Estimated Number of Professional Staff-months</i>	-
3.3	<i>Available Budget</i>	One million, six hundred and fifty thousand US dollars (USD 1,650,000) USD 1.65million
3.4	<i>Language of Reports</i>	Reports prepared as part of the “Services” must be prepared in the same language as the RFP.
3.5	<i>Limitation of Number of Pages of the Technical Proposal</i>	The extent of pages should desirably not exceed the following numbers:
(i)	<i>Summary of Technical Proposal</i>	[3] pages
(ii)	<i>Tenderer’s Organisation and Experience</i>	[5] pages
(iii)	<i>Approach and Methodology</i>	[5] pages
(iv)	<i>CV’s (each)</i>	[3] pages
3.7	<i>Local Expenditure</i>	No restrictions.
3.8	<i>Currency</i>	USD
3.9	<i>Tender Validity Period</i>	Tenders shall be kept valid for 120 days beyond the deadline for submission of Tenders.
<b>4 Submission, Receipt, and Opening of Tenders</b>		
4.1	<i>Submission Rules</i>	The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked “ <b>TECHNICAL PROPOSAL</b> ,” and the original and all copies of the Financial Proposal in a sealed envelope clearly marked “ <b>FINANCIAL PROPOSAL</b> ” and warning: “ <b>DO NOT OPEN WITH THE TECHNICAL PROPOSAL</b> ”. Both envelopes shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address and be clearly marked, “ <b>DO NOT OPEN, EXCEPT IN PRESENCE OF THE OPENING COMMITTEE.</b> ”



ITT Clause	References	Tender Information Data
4.2	<i>Outer Envelope Marking</i>	<p>The Submission Address is the same as stated in Clause 1.1 above.</p> <p>The outer envelope should be marked “Tender for Agricultural Sector Development Support Programme Phase II (ASDSP II) – Contract Rolling Audit”.</p> <p>The name and address of the Tenderer shall be written on the outer and the inner envelopes.</p> <p>The outer envelope should be marked "DO NOT OPEN, EXCEPT IN PRESENCE OF THE TENDER OPENING COMMITTEE."</p>
4.3	<i>Deadline for Submission of Tenders</i>	<p>The completed Technical and Financial Proposals must be delivered at the submission address on or before <b>20th November, 2018 at 11:00AM (Local Kenya Time)</b>. Any proposal received after the closing time for submission of proposals shall be returned to the respective consultant unopened.</p> <p>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.</p>

ITT Clause	References	Tender Information Data								
<b>5</b>	<b>Tender Evaluation Procedure</b>									
5.1	<i>Technical Evaluation System</i>	<p><b>Evaluation Criteria</b></p> <p><b>Firm's Experiences</b></p> <ul style="list-style-type: none"> <li>- Experience of similar projects during the past ten years</li> <li>- Experience in similar countries</li> </ul> <p><b>Approach and Methodology</b></p> <ul style="list-style-type: none"> <li>- Understanding of the requirements of the assignment and appropriate methodology and workplan.</li> <li>- System for quality control</li> <li>- Adequacy of the proposed methodology</li> </ul> <p><b>Qualifications and competence of the key staff for the assignment</b></p> <ul style="list-style-type: none"> <li>- Team leader qualifications</li> <li>- Team composition</li> <li>- Language skills, familiarity with conditions of Kenya</li> </ul> <p>The number of points to be given under each of the evaluation criteria are:</p> <p><u>Rating system:</u></p> <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 20px;"><i>Poor</i></td> <td style="text-align: right;"><i>40 %</i></td> </tr> <tr> <td style="padding-left: 20px;"><i>Satisfactory</i></td> <td style="text-align: right;"><i>70 %</i></td> </tr> <tr> <td style="padding-left: 20px;"><i>Good</i></td> <td style="text-align: right;"><i>90 %</i></td> </tr> <tr> <td style="padding-left: 20px;"><i>Very Good</i></td> <td style="text-align: right;"><i>100 %</i></td> </tr> </table>	<i>Poor</i>	<i>40 %</i>	<i>Satisfactory</i>	<i>70 %</i>	<i>Good</i>	<i>90 %</i>	<i>Very Good</i>	<i>100 %</i>
<i>Poor</i>	<i>40 %</i>									
<i>Satisfactory</i>	<i>70 %</i>									
<i>Good</i>	<i>90 %</i>									
<i>Very Good</i>	<i>100 %</i>									
		Total Points: 100								
	<i>Minimum Technical Score</i>	A Technical Proposal shall obtain a minimum of 70 points as a condition for further evaluation.								

ITT Clause	References	Tender Information Data
5.3	<i>Financial Formula Evaluation</i>	<p>The formulae for determining the Financial Score (Sf) shall be as follows:-  <math>Sf = 100 \times \frac{Fm}{F}</math> 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: - <math>S = St \times T \% + Sf \times P \%</math>. The firm achieving the highest combined technical and financial score will be invited for negotiations.</p> <p><math>Sf = 100 \times \frac{Fm}{F}</math>, in which Sf is the financial score, Fm is the lowest price and F the price of the Proposal under consideration</p>
5.4	<i>Allocation of Weights</i>	<p>Tenders will be ranked according to their combined technical and financial scores using the weights</p> <p>T= [0,80]  P= [0,20]  (T+P shall be equal to 1)</p>
<b>6 Negotiations</b>		
6.1	<i>Place for Negotiations</i>	<p>Negotiations are planned to take place at the following address:  As per the above, see Clause 1.1</p>
<b>7 Award of Contract</b>		
7.1	<i>Commencement of "Services"</i>	<p>The firm is expected to commence the "Services" immediately after the signing the contract, 14<sup>TH</sup> January 2019 and at the address of the Client indicated in Clause 1.1</p>

## Annex 1 Example

### SUMMARY TECHNICAL EVALUATION PROFORMA

Criterion	Max pts	Firm 1	Firm 2
<b>1. Firm's experience</b>	<b>15</b>		
1.1 Experience of similar projects	10		
1.2 Experience in similar countries	5		
<b>2. Approach and methodology</b>	<b>45</b>		
2.1 Understanding of the requirements	20		
2.2 System for quality control	10		
2.3 Adequacy of the Proposed Methodology and Suitability of the indicative work programme	15		
<b>3. Qualifications, experience and competence of staff</b>	<b>40</b>		
3.1 Team leader qualifications	10		
3.2 Team composition	20		
3.3 Language skills, familiarity with conditions of Kenya	10		

## **SECTION 2. INSTRUCTIONS TO TENDERERS (ITT)**

### **1 General information**

- 1.1 *“The Client”* named in the **Tender Information Sheet – TIS** will select a firm among eligible Tenderers, for providing the consulting services required for *“the Services”* named in the TIS, in accordance with the *“Procurement Guidelines”* specified in the TIS using the *“Procurement Method”* and the *“Selection and Evaluation Variant”* indicated in the TIS. The Client has applied to GoS for financing of the services, and GoS will provide such financing in accordance with *the Agreement* concluded between GoS and the Cooperation Partner.
- 1.2 *“Eligible Tenderers”*, as specified in the TIS, interested in and qualified to perform the services should submit a Tender consisting of a Technical Proposal and a Financial Proposal based on the information and instructions provided in this RFP. Failure to submit a Tender in conformity with and containing all the information required in this RFP may result in the rejection of the Tender. The Tender, if successful, will form the basis for future negotiations and may, ultimately, result in a contract between the selected firm and the Client, based on the Contract Conditions provided with this RFP.
- 1.3 To obtain more detailed and clarifying information on the “Services” and to receive responses to requests for clarifications, Tenderers may be invited, if found appropriate, to attend a *“Pre-Tender Meeting”*, including when possible a site visit. Attending the pre-tender meeting is optional. Tenderers are not allowed to contact the Client in order to arrange an own separate visit between the date of invitation to tender and the deadline for submission of tenders.
- 1.4 Please note (i) that the cost of preparing and presenting the Tender and of negotiating a contract, including any trips, is not reimbursable as a direct cost of the “Services”; and (ii) that the Client is not bound to accept any of the Tenders submitted.
- 1.5 GoS and GoK require clients as well as consultants to observe the highest standard of ethics during the selection and execution of consultancy contracts. In pursuance of this policy, GoS and GoK requires that all parties concerned take measures to ensure that contracts and purchase orders relating to GoS financing are not used as devices for the transfer of gifts, payments or other benefits to public officials and/or procurement management/staff members with decision making responsibility or influence.

For the purpose of this provision, the terms set forth below shall have the following meaning:

"corrupt practice" means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official, or the threatening of injury to person, property or reputation in connection with the procurement process or in contract execution in order to obtain or retain business or other improper advantage in the conduct of business; and

"fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Client and includes collusive practices among tenderers (prior to or after submission of tenders) designed to establish prices at artificial, non-competitive levels and to deprive the Client of the benefits of free and open competition.

GoS and GoK reserves the right where a client, firm or individual has been found by a judicial process, or an official enquiry undertaken by any of the International Financial Institutions (IFIs) or bilateral donors, or by an independent review of GoS or GoK, to have engaged in corrupt or fraudulent practices to cancel all financing for such client, firm or individual. In a contract, a provision shall be included requiring firms or individuals to permit GoS and GoK to inspect their accounts and records relating to the performance of the contract and to have them audited by auditors appointed by GoS.

A Tenderer not registered by a national official register in a home country as well one not registered for declaration and payment of value added tax in accordance with national legislation, when so is required, will be excluded from participation in the tender proceedings.

1.6 As indicated in the Letter of Invitation, Tenderers who meet the "*Minimum Technical and Financial Qualification Requirements*" as specified in the TIS, will be subject to further evaluation.

1.7 A Tenderer may be excluded from the evaluation and the award of a contract, if :

- a) Is bankrupt or is being wound up, whose affairs are being administered by court, who has entered into an arrangement with creditors, who has suspended business activities or who is subject of an injunction against running business by court;
- b) Is the subject of proceedings for a declaration of bankruptcy, for an order for compulsory winding up or administration by court, or for an arrangement with creditors or of any other similar proceedings;
- c) Has been convicted of an offence concerning his professional conduct by a court;
- d) Has been found guilty of grave professional misconduct ;
- e) Has not fulfilled obligations relating to payments of taxes or social security contributions.

## **2 Clarification and Amendments to the RFP**

- 2.1 Tenderers may request a clarification of any of the documents of the RFP “*up to the Number of Days*” indicated in the TIS before the Tender submission date. Any request for clarification must be sent in writing by paper mail, fax or electronic mail to the Client’s Address indicated in the TIS. The Client will respond by paper mail, fax or electronic mail to such requests and will send copies of the response to all Tenderers who have announced to the Client their intent to submit proposals. Responses to the Request for Clarifications may also be prepared in conjunction with a Pre-tender Meeting, if arranged.
- 2.2 At any time before the submission of Tenders, the Client may, for any reason, modify the RFP documents by amendment. The amendment will be sent in writing by paper mail, fax or electronic mail from the Client to all consultants who have announced to the Client their intention to submit Tenders and will be binding on them. The Client may at its discretion extend the deadline for the submission of Tenders.

## **3 Preparation of Tenders**

- 3.1 Tenderers are requested to submit the Tender, composed of a Technical Proposal and a Financial Proposal, written in “*the Language*” indicated in the TIS. The Tender should be concise, written in a clear language, and should not contain excessive material. Tenders, which materially deviate from the guidelines given below, may be rejected. Both the Technical Proposal and the Financial Proposal shall be signed by authorised representative(s) of the Tenderer. In case authority to sign is not by registration, a power of attorney shall be included with the Tender. The original Tender shall be prepared in indelible ink. It shall contain no interlineations or overwriting, except as necessary to correct errors made by the Tenderer itself. Any such corrections must be initialled by the persons or person who sign(s) the Tender. An authorized representative of the Tenderer shall initial all pages of the Financial Proposal.

### **Technical Proposal**

- 3.2 In preparing the Technical Proposal, Tenderers are expected to examine the documents comprising this RFP in detail. Material deficiencies in providing the information requested may result in rejection of a Tender.
- 3.3 While preparing the Technical Proposal, Tenderers must give particular attention to the following:
- (i) If a Tenderer considers that it does not have all the expertise for the “Services”, it may obtain a full range of expertise by associating with individual consultant(s) and/or, when so allowed and stated in the TIS, other eligible firms or entities in a joint venture relationship or sub-consultancy, as appropriate.
  - (ii) For assignments on a staff-time basis, “*the Estimated Number of Professional Staff-months*” is indicated in the TIS, when so found appropriate. The Tender

shall, however, be based on the number of professional staff-months estimated by the Tenderer.

- (iii) When found appropriate, the *Ceiling Budget* for the "Services" is given in the TIS.
- (iv) It is desirable that the majority of the key professional staff proposed be permanent employees of the Tenderer or have an extended and stable working relationship with it.
- (v) Proposed professional staff must, at a minimum, have the experience indicated in the TOR, preferably working under conditions similar to those prevailing in the country of the "Services".
- (vi) Alternative professional staff shall not be proposed, and only one curriculum vitae (CV) may be submitted for each position.
- (vii) Reports to be issued by the consultants as part of these "Services" must be in the "*Language(s)*" specified in the TIS.

3.4 The Technical Proposal should provide the following information, using the attached standard forms:

- (i) **Summary of the Technical Proposal**  
Description of key features of the Technical Proposal, the special competence provided by the Tenderer, and the main objectives as perceived by the Tenderer. This section should be limited to the "*Number of Pages*" indicated in the TIS.
- (ii) **Tenderer's Organisation and Experience**  
A brief description of the Tenderer's organisation and an outline of recent experience on assignments of a similar nature. For each assignment, the outline should indicate, inter alia, the profiles and names of the staff provided, duration of the assignment, contract amount, and Tenderer's involvement. This section should be limited to the "*Number of Pages*" indicated in the TIS, but may be supplemented by reference lists and brochures.
- (iii) **Approach and Methodology**  
A short description of the methodology, for each item<sup>1</sup>, by which the Tenderer proposes to execute the services, including any field work, on-the-job training, transfer of know-how or similar activity included. The description should follow closely the structure of the TOR, provide comments (if any) to the TOR and indicate for each item tangible output and its format. For each item, any data, services, and facilities expected to be provided by the Client, shall be

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<sup>1</sup> Items = "activities" to be carried out in self-contained assignments such as feasibility studies and project designs; = "tasks" for which the consultants will be responsible in assignment consisting mainly in the provision of specialized staff.



listed. This section should be limited to the “*Number of Pages*” indicated in the TIS.

- (iv) **CV’s**  
CVs of each individual team member in the format specified in Section 3. Standard Forms shall be submitted with the Tender. CVs have to be signed by the proposed staff member and the authorized representative submitting the Tender, when so expressly required by the TOR. 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. A letter of willingness and availability to participate on an exclusive basis with the Tenderer for the proposed “Services” is required from all independent consultants, (not employed with the Tenderer). Each CV should be limited to the “*Number of Pages*” indicated in the TIS.
- (v) **Work Plan/Time Schedule**  
The work programme should include (i) an organisation chart, (ii) a bar chart of items and sub-items and graphics, or PERT methodology, of the work plan proposed by the Tenderer, where each item should be broken down in sub-items, with start date, completion date, and milestones (e.g. reports) clearly indicated.
- (vi) **Team Composition**  
Project management arrangements, the composition of the core team, a description of each individual on the core team, his/her specific responsibility and tasks, and expected local consultants’ participation. The team leader should be specifically identified. The members of the support team should also be described to the extent required by the TOR. The Tenderers are encouraged to include both women and men in their team.
- (vii) **Total Time Input**  
Estimate of the total staff input of time (core team and support staff) to be provided to carry out the “Services” indicating for each month and each core team member amount of time spent in the country of the “Services” and amount of time spent in the Tenderer’s home country. “*Time spent*” by foreign consultants “*in the home office*” shall be limited as indicated in the TIS.
- (viii) **Eligibility and Minimum Qualification Requirements**  
Documentary evidence that the Tenderers comply with the requirements stated in Sub-clauses 1.2
- (ix) **Association Arrangements**  
The proposed *Association Arrangements*, if any allowed as indicated in the TIS, shall be clearly indicated in the Tender. A letter of association agreement from an included sub-consultant(s) agreeing to exclusively associate with the Tenderer shall be attached the Tender.

In case the formation of a joint venture is allowed, as indicated in the TIS, the Tender shall be signed by all partners of the joint venture, so as to legally bind all partners, jointly and severally, and the tender shall be submitted with a

copy of the joint venture agreement providing for joint and several liability with respect to the contract, including the nomination of the lead firm of the joint venture.

(x) **Facilities**

If applicable, in addition to the facilities provided by the Client as described in the TOR, the Tenderer shall provide and estimation of requirements for office and other related facilities, staff accommodation requirements, that the consultant will use in the field for carrying out the proposed services and of which would have to be covered by the budget of the contract.

- 3.5 The Technical Proposal shall not include any financial information relating to the cost of the "Services".

Financial Proposal

- 3.6 The Financial Proposal should follow the the form attached in the RFP. It should list all costs associated with the "Services", including as applicable and as indicated in the financial proposal form, (a) remuneration for staff (foreign and local, in the field and at home office), and (b) reimbursable expenses such as subsistence (daily allowances, hotel costs, and housing), transportation (international and local, for mobilization and demobilization), office rent, international telecommunication, insurance, printing of documents, surveys, and training, if it is a major component of the assignment and (c) equipment (vehicles, office equipment, furniture, and supplies). If appropriate, these costs should be broken down by activity and, if appropriate, into foreign and local expenditure. "*Local expenditure*" incurred by the consultant (not provided by the Client) may, as indicated in the TIS, be eligible with no restriction or up to a certain percent (X %) of the contract amount in accordance with the Agreement. The Consultant shall economize as much as possible with regard to reimbursable, by e.g. using economy class travel when possible, and by avoiding to split activities to be performed in the country of the "Services". The Consultant shall be responsible for all direct and indirect tax liabilities (if any) arising out of, or connected to, the performance of the services wherever they arise, including but not limited to the country of the "Services".
- 3.7 Costs must be expressed, and will be paid, USD unless any other *currency* in addition to USD is accepted as specified in the TIS. Costs shall be specified inclusive of VAT.
- 3.8 There shall be no commissions and gratuities, paid or to be paid by consultants and related to the "Services" included in the Financial Proposal.
- 3.9 The Client and GoS will retain the right to audit, both during and after the services, the selected firm's accounts and cost records relevant to the services.
- 3.10 The Tenders shall remain "*Valid for the Number of Days*" after the submission date indicated in the TIS. During this period, the Tenderers are required to keep available the professional staff proposed for the "Services". The Client will make its best effort to complete negotiations within this period. If the Tender validity period is extended, the Tenderers have the right not to maintain the validity of their Tenders.

## **4 Submission, Receipt, and Opening of Tenders**

- 4.1 The Technical Proposal shall be prepared in one original and in the "*Number of Copies*" as indicated in the TIS. The Financial Proposal shall be prepared in one original and in the "*Number of Copies*" as indicated in the TIS. The Proposals should be marked "Original" or "Copy" as appropriate. If there are any discrepancies between the original and the copies of the Proposal, the original governs.
- 4.2 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 TIS and be "*Clearly Marked*" as indicated in the TIS.
- 4.3 The completed tender comprising the Technical and Financial Proposals must be delivered at the submission address on or before the "*Submission Time and Date*" stated in the TIS. Any Tender received after the deadline will be returned unopened
- 4.4 The Technical Proposals shall be opened immediately after the closing time for submission of Tenders by a committee of at least three officials in a non-public session. Tender opening minutes shall be prepared. The Financial Proposals shall remain sealed and deposited in safe custody until the Technical Proposals have been evaluated.

## **5 Tender Evaluation Procedure**

### General

- 5.1 From the time the Tenders are opened to the time the contract is awarded, if any Tenderer wishes to contact the Client on any matter related to her/ his Tender, they should do so in writing (paper mail, fax or electronic mail) at the contact address indicated in the TIS. Any effort by the Tenderer to influence the Client in the tender evaluation, tender comparison or contract award decision may result in the rejection of the consultant's proposal.
- 5.2 Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation, including GoS's review and issuance of a "no objection" letter, is concluded.

### Evaluation of Technical and Financial Proposals

- 5.3 The Client will appoint an evaluation committee that will carry out the evaluation of the Technical Proposals on the basis of their responsiveness to the Terms of Reference, applying the "*Evaluation Criteria and Point System*" specified in the TIS. The technical evaluation should commence with the assessment of the Tenderers' qualifications to determine that the minimum qualification requirements are met, thereby being eligible to participate in the tender proceedings. The preparation and evaluation of Tenders will, if so required by Gok and GoS and indicated in the Invitation to Tender and the TIS, be performed with the assistance of

a consultant.. Each responsive Technical Proposal will be given a technical score (St). A Tender 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 TIS.

- 5.4 The name of the Tenderer, the scores, and the proposed prices shall be recorded when the Financial Proposals are opened. The Client shall prepare minutes of the opening.
- 5.5 The evaluation committee will determine whether the Financial Proposals are formally correct, complete and check for any computational errors. Computational errors will be corrected at the Client’s discretion. In case a Ceiling Budget has been specified in the TIS, Financial Proposals that exceed this budget will run the risk of being rejected.
- 5.6 The lowest Financial Proposal (price=Fm) will be given a financial score (Sf) of 100 points. The financial scores (Sf) of the other Financial Proposals will be “*Computed*” as indicated in the TIS. 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 TIS:  $S = St \times T + Sf \times P$ . The Tenderer achieving the highest combined technical and financial score will be invited for negotiations.

## **6 Negotiations**

- 6.1 Negotiations between the Client and the invited firm will be held at the “*Address for Negotiations*” indicated in the TIS. The aim is to reach agreement on all outstanding points and record the agreement reached in the Minutes of Negotiation, which shall be signed by both parties. The representative conducting negotiations on behalf of the consulting firm shall have written authority to negotiate the financial and other terms and to conclude a binding agreement. The agreed Minutes of Negotiation will form part of the Contract.
- 6.2 Negotiations will include a discussion of the Technical Proposal, the proposed methodology, work plan, staffing and any suggestions made by the Tenderer to improve the Terms of Reference. The Client and the firm will record in the Minutes of Negotiation any agreed changes to the Terms of Reference, the proposed staffing, the Work Plan and the proposed Time Schedule. During negotiations, special attention should be paid to optimising the required outputs from the firm within the available budget and to clearly defining the inputs required from the Client to ensure satisfactory implementation of the “*Services*”.
- 6.3 The financial negotiations will include a clarification of the firm's tax liability in the Client's country (if any), and how it will be reflected in the contract and will reflect the agreed technical modifications in the cost of the services. Tax issues related to GoS’s financing shall be addressed in the Agreement concluded between GoS and the Cooperation Partner, but GoS is not liable under any circumstances to the Tenderers for the correct application of tax laws and regulations in the country of the Client. The financial negotiation will review the reimbursable with regard to Clause

3.6 above. The financial negotiations will not, unless there are exceptional reasons, involve the remuneration rates for staff.

- 6.4 During contract negotiations, the Client will require assurances that the proposed 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 "Services". If this is not the case and if it is established that key staff were offered in the Tender without confirming their availability, the firm may be disqualified.
- 6.5 The negotiations will conclude with a review of the draft form of the contract. To complete negotiations with the Client, the firm will initial the agreed contract. The initialled contract and the Minutes of Negotiation shall be submitted to GoS for its review and "no objection" prior formal signing of the contract may take place between the parties. If negotiations fail, the Client will invite the firm that scored the second highest score to contract negotiations.

## **7 Award of Contract**

- 7.1 Following successful negotiations and subject to the issuance by GoS of its "no objection" to the draft contract, the contract shall be duly signed by both parties. After the contract has been signed, the Client will promptly notify in writing other Tenderers who submitted Tenders that they were unsuccessful.
- 7.2 The firm is expected to commence the "Services" on the "*Date and at the Location*" specified in the TIS.
- 7.3 *Payments* under the resulting contract will be made in accordance with the procedures and under the conditions specified in the draft Contract in conformity with the provisions of the Agreement or as otherwise determined by GoK as indicated in the TIS.

## **8 Confidentiality**

Information relating to evaluation of Tenders and recommendations concerning awards shall not be disclosed to the Tenderers who submitted the Tenders or to other persons not officially concerned with the process, The tender evaluation process from the date of issuance of invitation to tender up to the award of contract is confidential

### **.Client's right to accept or to reject any tender**

- 9.1 The Client reserves the right, subject to GoS's & GOK "no objection", to accept or reject any tender, and to cancel the tender process and reject all tenders at any time prior to award of the contract, without thereby incurring any liability to the affected tenderer or tenderers.

### **SECTION 3. STANDARD FORMS**

The following standard forms shall be used by the Tenderers in their preparation of the Tenders:

#### **Technical Proposal**

Form 3 A. Technical Proposal Submission Form.

Form 3 B. Information on Reference Assignments for which your firm, either individually or as one of the major companies within an association, was legally contracted.

Form 3 C. Composition of team, staff time.

Form 3 D. Curricula Vitae of Proposed Professional Staff.

Form 3 E. Minimum Qualification Requirements

#### **Financial Proposal**

Form 3 F. Financial Proposal Submission Form.

Form 3 G. Financial Proposal Format

**Form 3A. Tender Submission Form**

To: Name and address of Client

Location, Date

Ladies/Gentlemen:

**Consulting Services:** Name of the Assignment, Contract Number

We, the undersigned, offer to provide the consulting services for the above mentioned programme in accordance with your Invitation to Tender, and our Tender. We are hereby submitting our Tender, which includes this Technical Proposal and a Financial Proposal sealed under a separate envelope.

If negotiations are held during the period of validity of the Tender, We undertake to negotiate on the basis of the proposed staff. Our Tender is binding upon us and subject to the modifications resulting from contract negotiations.

We understand you are not bound to accept any Tender you receive.

Yours sincerely,

Authorized Signature:

Name and Title of Signatory:

Name of Firm:

Address:

**Form 3B. Firm's References**

Firm's Name: state name

Ref. no: state ref.

**Relevant Services carried out in the Last Ten Years That Best Illustrate Qualifications**

<b>ASSIGNMENT NAME:</b>	<b>COUNTRY:</b>
state name	state country
Name of Client: state name	Location: state location
Client's contact person: state name	Phone: state phone no. Fax: state fax no.
Narrative Description of Project: describe	
Description of Actual Services Provided by Your Firm: describe	Value of Services: state Start date: state date Completion date: state date No of Staff-Months: state
Professional Staff Provided by Your Firm (list profiles): state	List no of Staff-Months: state
Name of Associated Consultants, if any:	List no of Staff-Months Provided by Associated Consultants:
state	state
Name of Senior Staff (Project Director/Coordinator, Team Leader) involved and functions performed: state	



### 3C. Composition of Team, Staff Time

<b>1. CORE TEAM</b>			
Name	Position/Task assignment	No. days field work	No. hours home support
<b>2. SUPPORT STAFF</b>			
Name	Assignment	No. days field work	No. hours home support

### **3D. Format of Curriculum Vitae (CV) for Proposed Professional Staff**

Proposed Position:

Name of Firm:

Name of Staff:

Profession:

Date of Birth:

Years with Firm/entity:

Nationality:

Membership in Professional Societies:

Detailed Tasks Assigned:

#### **Key Qualifications Relevant to the Assignment:**

*[Give an outline of staff member's professional experience most pertinent to tasks on assignment. Describe degree of responsibility held by staff member on relevant previous assignments and give dates and locations. Years. Give types of activities performed and client references, where appropriate. Use about three-quarters of a page.]*

---

#### **Education:**

*[Summarize college/university, other specialized education and training of staff member, giving names of schools, dates attended, and degrees obtained. Use about one quarter of a page.]*

---

#### **Employment Record:**

*[Starting with present position, list in reverse order every employment held, giving dates, names of employing organizations, positions held/work performed, and locations of assignments.]*

---

#### **Languages:**

*[For each language indicate proficiency: excellent, good, fair, or poor; in speaking, reading, and writing]*

---

#### **Certification:**

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience, and that I will be available to work on the assignment as indicated in the Proposal if it will be successful.

Date:

---

*Signature of staff member*

*Signature of authorized representative of the Firm*

### **3 E. FORMAT FOR MINIMUM QUALIFICATION REQUIREMENTS**

The Consultant shall be one or several certified or chartered public accountants of a reputable auditing firm. The accountants and the firm shall have extensive experience, particularly of auditing foreign aid-financed projects/ programmes and Kenyan Government agencies.

#### **A) Financial status**

The tenderer shall have a solid financial and economic base; so that its liquidity is not less than 1 (one) and the solvency not less than 15 percent; the basis of calculation being figures accounted for in the most recent year of activity, or in the previous year if audited annual accounts are not yet available.

The tenderer is requested to submit the following documents;

- A certificate confirming that the above mentioned requirements for figures are fulfilled (or if not, provide a reasonable explanation);
- a certificate confirming that the latest annual accounts (not older than two years) are approved by the auditors; and
- a statement of the firm's turnover USD during the previous three years duly signed by an authorised representative of the Tenderer.

#### **B) Comparable Assignments**

A list of at least 5 contracts within the last ten years clearly describing the scope of work, name of client, contract value and number of man months, date of commencement and completion.

**Form 3 F. Financial Proposal Submission Form**

To: Name and address of Client

Location, Date

Ladies/Gentlemen:

**Consulting Services:** Name of the Assignment, Contract Number

We, the undersigned, offer to provide the consulting services for the above-mentioned project in accordance with your Invitation to Tender, and our Tender (Technical and Financial Proposals). Our attached Financial Proposal is for the sum of state sum and currency (including VAT).

state amount in words and figures, inclusive VAT.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from contract negotiations, up to expiration of the validity period of the Proposal, i.e. state date.

We understand you are not bound to accept any Tender you receive.

Yours sincerely,

Authorized Signature:

Name and Title of Signatory:

Name of Firm:

Address:

### 3 G. Financial Proposal Format

#### DIRECT EXPENSES

##### 1. Fees (Remuneration):

Currency SEK

Name of Expert	Job Title	Days in the Field	In the Home Office	Total Working Days	Daily Rate	Total Fee
<b>Total working days and total fees</b>						

#### REIMBURSABLE EXPENSES

##### 2. Daily Allowance

Name/Place	Per Night	N° of Nights	Total
<b>Total</b>			

##### 3. Accommodation Costs: hotel costs and/or housing costs

Name/Place	N° of Nights	Cost per Night	Total
<b>Total Accommodation Cost</b>			

##### 4. Air Travel: (Full Economy Class Fare or Equivalent)

Name/Routing	Fare	No of Flights	Total
<b>Total Air Travel</b>			

##### 5. Local Travel: (Travel from home to departure airport and return, and reasonable local travel when abroad.)

Routing / Place	Mode of transport	Distance	Rate	Total
<b>Total Local Travel</b>				

##### 5. Miscellaneous:

Visas	0.00
Interpretation	0.00
Reports	0.00
Communications	0.00
Equipment Purchase (to be specified)	0.00
Other Miscellaneous Expenses (to be specified)	0.00
<b>Miscellaneous Total</b>	0.00
<b>TOTAL MAXIMUM PAYMENT net of Contingencies</b>	<b>0.00</b>

##### 5. 6. Contingencies:

(utilisation only after prior approval in writing by the Client)	0.00
<b>TOTAL MAXIMUM PAYMENT incl. Contingencies</b>	<b>0.00</b>

**REPUBLIC OF KENYA**

**STANDARD FORM OF CONTRACT**

**F O R**

**CONSULTING SERVICES**

**(Large Assignments)**

**CONTRACT FOR CONSULTANT'S SERVICES**

**(Large Assignments)**

between

---

*[name of the Client]*

AND

---

*[name of the Consultant]*

Dated: \_\_\_\_\_ *[date]*

## **FORM OF CONTRACT**

### **Large Assignments**

This Agreement (hereinafter called the "Contract") is made the \_\_\_\_\_)day of the month of \_\_\_\_\_[*month*], [*year*], between \_\_\_\_\_, [*name of client*] of [or whose registered office is situated at ]\_\_\_\_\_ [*location of office*] (hereinafter called the "Client") of the one part AND \_\_\_\_\_ [*name of consultant*] of [or whose registered office is situated at] \_\_\_\_\_ [*location of office*] (hereinafter called the "Consultant") of the other part.

### **WHEREAS**

- (a) the Client has requested the Consultant to provide certain consulting services as defined in the General Conditions of Contract attached to this Contract (hereinafter called the "Services");
- (b) the Consultant, having presented to the Client that he has the required professional skills and personnel and technical resources, have agreed to provide the Services on the terms and conditions set forth in this Contract;

NOW THEREFORE the Parties hereto hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
  - (a) The Special Conditions of Contract;
  - (b) The General Conditions of Contract;
  - (c) Contract Agreement Form
  - (d) Schedule of Requirements
  - (e) Notification of Award
  - (f) Price Schedule
  - (g) Description of Services as Provided by the Consultant (TOR)
  - (h) The following:
    - Description of the Services (TOR)
    - Reporting Requirements
    - Key Personnel and Sub consultants

2. The mutual rights and obligations of the Client and the Consultants shall be as set forth in the Contract; in particular:
- (a) The Consultant shall carry out the Services in accordance with the provisions of the Contract; and
  - (b) the Client shall make payments to the Consultant in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

For and on behalf of \_\_\_\_\_ [*name of client*]

[*full name of Client's authorised representative* \_\_\_\_\_]

[*title*] \_\_\_\_\_

[*signature*] \_\_\_\_\_

[*date*] \_\_\_\_\_

For and on behalf of \_\_\_\_\_ [*name of consultant*]

[*full name of Consultant's authorized representative*] \_\_\_\_\_

[*title*] \_\_\_\_\_

[*signature*] \_\_\_\_\_

[*date*] \_\_\_\_\_



**APPENDIX H - MANDATORY CONFIDENTIAL BUSINESS  
QUESTIONNAIRE**

*(Must be filled by all applicants or Tenderers' who choose to participate in this tender)*

*Name of Applicant(s).....*

You are requested to give the particulars in Part 1 and either Part 2 (a), 2 (b) or 2 (c), whichever applies to your type of business. Part 2 (d) to part 2(i) must be filled. You are advised that giving wrong or false information on this Form will lead to automatic disqualification/termination of your business proposal at your cost.

**Part 1 – General**

Business Name:.....Certificate of  
Incorporation / Registration No. ....Location of business  
premises:  
Country .....Physical address .....  
Town  
.....Building.....  
Floor.....Plot No.  
.....  
Street / Road .....Postal Address .....  
Postal / Country Code.....Telephone No's.....  
Fax No's.....E-mail address .....  
Website .....  
Contact Person (*Full Names*) ..... Direct / Mobile No's.....  
Title ..... Power of Attorney (**Yes / No**)  
If **Yes**, attach written document.  
Nature of Business (*Indicate whether manufacturer, distributor, etc*)  
.....

**(Applicable to Local suppliers only)**

Local Authority Trading License No. .... Expiry Date .....  
Value Added Tax  
No.....

Value of the largest single assignment you have undertaken to date (*USD/KShs*)  
.....

Was this successfully undertaken? **Yes / No**. ....(If **Yes**, attach reference)  
Name (s) of your banker (s)  
.....  
Branches.....Tel. No's. ....

**Part 2 (a) – Sole Proprietor (if applicable)**

Full names .....  
Nationality..... Country of Origin.....  
Company Profile ..... (*Attach brochures or annual reports in case of public  
company*)

**Part 2 (b) – Partnerships (if applicable)**

Give details of partners as follows:

**Full Names Nationality Citizenship Details Shares**

1. ....
2. ....
3. ....
4. ....

Company Profile .....(*Attach brochures*)

**Part 2 (c) – Registered Company (if applicable)**

Private or public .....  
Company Profile .....(Attach brochures or annual reports in case of public companies)  
State the nominal and issued capital of the Company  
Nominal USD .....  
Issued USD .....

List of top ten (10) shareholders and distribution of shareholding in the company. Give details of all directors as follows:-

**Full Names Nationality Citizenship Details Shares**

1.....  
2.....  
3.....

**Part 2 (d) – Debarment**

I/We declare that I/We have not been debarred from any procurement process and shall not engage in any fraudulent or corrupt acts with regard to this or any other tender by the Commission and any other public or private institutions.

Full Names .....  
Signature .....  
Dated this .....day of .....2015.  
In the capacity of .....  
Duly authorized to sign Tender for and on behalf of .....

**Part 2 (e) – Criminal Offence**

I/We, (Name (s) of Director (s)):-

- a) .....
- b) .....
- c) .....

have not been convicted of any criminal offence relating to professional conduct or the making of false statements or misrepresentations as to its qualifications to enter into a procurement contract within a period of three (3) years preceding the commencement of procurement proceedings.

Signed .....  
For and on behalf of M/s .....  
In the capacity of .....  
Dated this .....day of .....2015.  
Suppliers' / Company's Official Rubber Stamp .....

**Part 2 (f) – Conflict of Interest**

I/We, the undersigned state that I / We have no conflict of interest in relation to this procurement:

- a) .....
- b) .....
- c) .....
- d) .....

For and on behalf of M/s .....  
In the capacity of .....  
Dated this .....day of .....2015  
Suppliers' / Company's Official Rubber Stamp .....

**Part 2 (g) – Interest in the Firm:**

Is there any person/persons in ASDSPII Ministry of Agriculture and irrigation or any other public institution who has interest in the Firm? Yes/No ..... (Delete as necessary)  
Institution .....  
.....  
**(Title) (Signature) (Date)**

**Part 2(h) – Experience**

Please list here below similar projects accomplished or companies / clients you have provided with similar services in the last two (2) years.

**Company Name Country Contract/ Order No. Value**

- 1.....
- 2.....
- 3.....

Contact person (Full Names) .....

E-mail address.....

Cell phone no .....

**Part 2(i) – Declaration**

I / We, the undersigned state and declare that the above information is correct and that I / We give the Privatization Commission authority to seek any other references concerning my / our company from whatever sources deemed relevant, e.g. Office of the Registrar of Companies, Bankers, etc.  
Full names

.....

Signature.....

For                      and                      on                      behalf                      of                      M/s

.....

In the capacity of

.....

Dated this ..... day of .....2015.

Suppliers' / Company's Official Rubber Stamp

.....

**APPENDIX F – SERVICES AND FACILITIES PROVIDED BY THE CLIENT**

*All the necessary records/documents/information and facilitations needed.*

**APPENDIX G - 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

**TERMS OF REFERENCE**

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REPUBLIC OF KENYA

**MINISTRY OF AGRICULTURE LIVESTOCK, FISHERIES AND IRRIGATION**

**Agricultural Sector Development Support Programme Phase II (ASDSP II)**

**Terms of Reference for the Rolling Audit,**

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**IST July 2017 to 30<sup>TH</sup> June 2022**

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## **1.0 BACKGROUND TO THE ASSIGNMENT**

### ***1.1 Introduction***

The agricultural sector plays a crucial role to the overall socio-economic development of Kenya. The sector contributes on average 30% directly to the country Gross Domestic Product (GDP) GDP through manufacturing, distribution and service sectors, accounts for 65% of the total export earnings and employs 80% of rural workforce and 18% of the formal employment. The crops, livestock and fisheries subsectors contribute 23.5%, 7.5% and 1.6% of the national GDP and 72%, 23% and 5% of the Agricultural GDP respectively.

Kenya has two levels of governments, the National and County (47 counties) with clearly defined functions. By extension, the economies of most of the 47 counties depend on agriculture. A 2015 World Bank Policy Working Paper<sup>2</sup> indicates that the average agriculture GDP for all the 47 counties is 51%.

The sector continues to be a key economic and social driver of development in Kenya's Vision 2030<sup>3</sup> and Sustainable Development Goals (SDGs). Under Kenya's Vision 2030, Agriculture is one of the key economic sectors expected to drive the country's economy to the projected 10% annual economic growth. To this end agriculture is expected to achieve and sustain a 7% growth rate annually.

The sector is faced with many challenges including lack of commercialization and in order to address these, the government in 2010 developed Agricultural Sector Development Strategy (ASDS) whose mission is to have an "Innovative, Commercially oriented and Modern Agriculture" by increasing productivity, commercialization and competitiveness of agricultural commodities and enterprises; and, developing and managing the key factors of production. The ministry of agriculture then developed programmes and projects that were to deliver on this strategy. One of these major programmes developed in 2012 was the Agricultural Sector Development Support Programme Phase II (ASDSP II)(ASDSP) financed by Government of Kenya and Government of Sweden (GoS) and implemented in all 47 counties. ASDSP phase one (2012-2016) was concluded in June 2017.

### ***1.2 Agricultural Sector Development Support Programme Phase II***

The Agricultural Sector Development Support Programme, Phase II (ASDSP II) builds on the achievements of ASDSP I. The first was initiated in January 2012 for a five-year period ending June 2017 and co-financed by the Government of Kenya (GOK ) and the Government of Sweden (GOs). However, in early 2016, the two governments agreed to extend the ASDSP I implementation period by six months through a no-cost extension to June 2017. Based on the success of the ASDSP I as a nation-wide Value Chain and Sector Development Support programme, the two governments also agreed to initiate the design of a five-year second phase of the programme. ASDSP II will consequently be implemented from December 2017 to June 2022.

---

<sup>2</sup>WB, Policy Working Paper 7461, Bright Lights, Big Cities, 2015

<sup>3</sup> the country's long term guide to transform Kenya into a "newly industrialized, middle-income country providing a high quality of life to all its citizens by 2030"

ASDSP II will maintain the overall focus and approach of ASDSP I, which has proven to be relevant and effective. However, the design of the new Programme has been adapted to reflect the current institutional and policy setting in the Sector. Moreover, while the ASDSP II aims to consolidate effective and relevant ASDSP I approaches and results, it also provides an opportunity to adopt and implement approaches and structures that were not fully realized during ASDSP I, to ensure that they effectively support Programme objectives.

### ***Goal and Purpose***

The overall goal of ASDSP II is to contribute to: *“Transformation of crop, livestock and fishery production into commercially oriented enterprises that ensure sustainable food and nutrition security”*. The Programme Purpose is: *“To Develop Sustainable Priority Value Chains for Improved Income, Food and Nutrition Security”*.

To achieve this programme purpose, implementation will focus on four result areas:

- Productivity of priority value chains increased
- Entrepreneurial skills of priority value chain actors strengthened
- Access to markets by priority value chain actors improved
- Structures and capacities for consultation, collaboration, cooperation and coordination in the sector strengthened

### ***Key intervention strategies***

ASDSP II will apply the following intervention strategies.

- inter-sectoral perspective with respect to its Value Chain Development and sector coordination work at national, county and across the counties
- Networking Sector actors at all levels to facilitate mutually inclusive, demand-driven identification of value chain bottlenecks and Sector transformation issues needing attention.
- Act as a facilitator of operational VCD partnerships, not as an implementer.
- Use applicable national or county government procedures for programme implementation and integrate its steering and governance structures into respective government structures.
- Put strong emphasis on ensuring that Value Chain Development actions agreed upon by VC stakeholders are commercially viable and driven by partnerships.
- Stimulate the creation of a constructive economic environment that contributes to stabilization, resilience and economic empowerment for women and youth in Value Chain Development through the establishment of an innovation grant.
- Emphasize the need that environmental and climate resilience considerations are integrated into and considered as an integral aspect of commercial value chain development.
- Ensure the capacity of the Value Chain Actors and the service providers is built and consolidated gradually and in accordance to identified needs.

### ***Programme Implementation***

The programme will be implemented during a period of five years starting from December 2017 to 30<sup>th</sup> June 2022 and upon signing of the Agreement between the Government of Kenya and Government of Sweden.

The programme is anchored in the Ministry of Agriculture Livestock, Fisheries (MoALF) at the national level. At the county level it will be anchored at the department of Agriculture mandated to execute the roles as defined by the project goal and objectives and report to the County Steering Committee

ASDSP II is countrywide support programme implemented in all the 47 counties and at the national level. Due to its focus on value chain development and coordination of the stakeholders in the sector, the outreach of implementation include the sub-counties and wards in each county.



According to the Memorandum of understanding *For the management of all financial resources of Phase II (ASDSP II 2017-2022) between the two levels of government*, the Principal Secretary (PS) state department Agriculture, MOALF and the County Chief officer (CO) department of agriculture will be fully responsible for the implementation of the programme and for the management of all the financial contributions from Sweden and Kenya

### ***Programme coordination and management***

The governance, steering, coordination and implementation of the programme will be vested in the following structures

***Joint Agriculture Sector Steering Committee (JASCCOM)*** will act as the National Programme Steering Committee (NPSC) for ASDSP II by providing strategic direction and approve its budgets, work plans, other operational instruments and disbursement of funds. ; oversee ASDSP II implementation and ensure adherence of the national and county governments to the GoK-GOS bilateral Agreement and the Programme's Financial Agreement.

***Joint Agriculture Sector Intergovernmental Secretariat (JAS-IGS)*** is the Intergovernmental Secretariat for the Agricultural Sector set out by (JASCCOM). It responsible for purely secretariat-related functions, on communication; meetings; M&E

***County Programme Steering Committees (CPSCs)***. Like JASCCOM at the national level, CPSCs will provide: *Policy direction; oversee governance of ASDSP II – M&E; integration of other programmes; advise on inter-county collaborations; quarterly review & approve ASDSP budgets and financial reports; guide on management of resources*

***National Programme Management Secretariat (NPS)*** at the national level and the ***County Programme Secretariat (CPS)***, are the the principal ASDSP II management structures responsible for : Planning, Coordinate implementation, Resourcing funds/ reports/ procurement and Monitoring Missions/ reporting

***Value chain stakeholders forums*** :At the operational level, ASDSP II will feature a number of value chain stakeholder forums including the National Value Chain Forum; county based Value Chain Forums; county based Value Chain Platforms; Commodity Cooperatives; Companies and Common Interest Groups. These forums will constitute the core implementing drivers of VC development initiatives supported by the Programme.

***Technical assistant (TAs)***: The scope of technical assistance will be to provide support towards realizing the goal of ASDSP II at both levels of government i.e. to address challenges hindering commercialisation of agriculture. The TA services will be available for NPS & CPS on request.

### ***Implementation modality***

Agriculture is a multidisciplinary and multilayer sector whose development demands engagement of various actors at different levels. ASDSP II is primarily designed to enhance the capacity of different Value Chain Actors at different levels to tackle the problems that hinder agriculture development. In particular, the programme will support the development of at least three prioritized agricultural value chains in each of the 47 counties, and Sector consultation, cooperation and coordination structures at all levels.

Counties as well as the National office will develop a 5-year strategic plan focusing on the four outcome and output areas outlined in table 1. The strategic plan will be the basis for the development of ASDSP II Annual Work plans and Budgets (AWP&B). The work plan will be prepared by the 48 implementing units (47 CPSs and NPS) in consultation with stakeholders and will follow the Government's annual budgeting cycle. Funds once received will be spent on the activities contained in the approved annual work plans.

Manuals/,guidelines and concept formats will guide programme coordination and management structures , VCAs and other relevant stakeholders on the implementation process

### *Programme financing*

There will be two main avenues for programme financing, core financing and leverage financing

### *Core financing*

ASDSP II will be financed by GOS and European Union (EU) grants of KES 3.6bn and the National and County Governments will contribute about KES 2.092bn as counterpart funds towards project activities. The EU grants are delegated through GOS and will not require separate reporting or auditing. The total combined budget of ASDSP II is estimated at KES 5.692bn. In addition to the cash contribution, the Kenya government through the national and county governments will invest over KES 1.9bn in human resource and office accommodation. Table 1 shows the the Programme output level, budget for each item in the 5-year period

**Table 1: Programme outputs' budget**

<b>Outcome /result area</b>	<b>Output</b>	<b>Budget KES ('000)</b>
1.Productivity of priority VCs increased	Outputs1.1 capacity of existing service providers on identified opportunities enhanced	579,021
	Output 1.2 Value chain Innovations on identified opportunities promoted	1,158,042
	Output 1.3climate smart agriculture interventions, practices and technologies for VC enhanced	193,007
	<b>Total</b>	<b>1,930,070</b>
2.Entrepreneurial skills of VCAs strengthened	Output 2.1Entrepreneurial skills VCAs including service providers enhanced	1,664,860
	<b>Total</b>	<b>1,664,860</b>
3.Access to markets by VCAs improved	3.1 Market access linkage for priority VCAs improved	99,514
	3.2.Access to market information by VCAs improved	298,542
	3.3. Access to VC financial services by VCAs improved	99,514
	<b>Total</b>	<b>497,570</b>
4.Structures and capacities for coordination in the sector strengthened	4.1. Initiatives for establishment of the structures for consultation and coordination supported	240,000
	4.2. Capacities of the established structures for consultation and coordination enhanced	640,000
	4.3. Participation of stakeholders in consultation and coordination structures enhanced	480,000
	4.4 Sector policies, strategies, regulations and plans prepared and launched	240,000
	<b>Total</b>	<b>1,600,000</b>
<b>Grand total</b>		<b>5,692,500</b>

### ***Funds Distribution by implementing units***

The programme will have 48 implementing units: NPS and the 47 CPS. Over 75 % of the funds will be spent at the county level across the four programme outcome areas. The county total budget allocation ranges between KES 80 to 110 million based on equitable share, population, poverty and land area parameters.

### ***Flow of programme funds***

MoALF&I will requisition funds from GOS through National Treasury after advice from NPS and in accordance with the specific agreement. These funds, both Sweden and GOK, will be appropriated through the GOK financial cycle at both levels of government. Funds from the GoS will be channeled to national Treasury and will be visible in the official GoK budgeting system. The funds will be provided twice annually and deposited in a special Paymaster General's account opened for ASDSP II by National Treasury in the Central Bank of Kenya.

The GoK funds (national and county) to the ASDSP II will be disbursed twice a year to respective programme accounts by the national and county treasury respectively. Both Treasuries shall give authority to respective department accounting officers to open programme specific accounts at the recommended commercial bank.

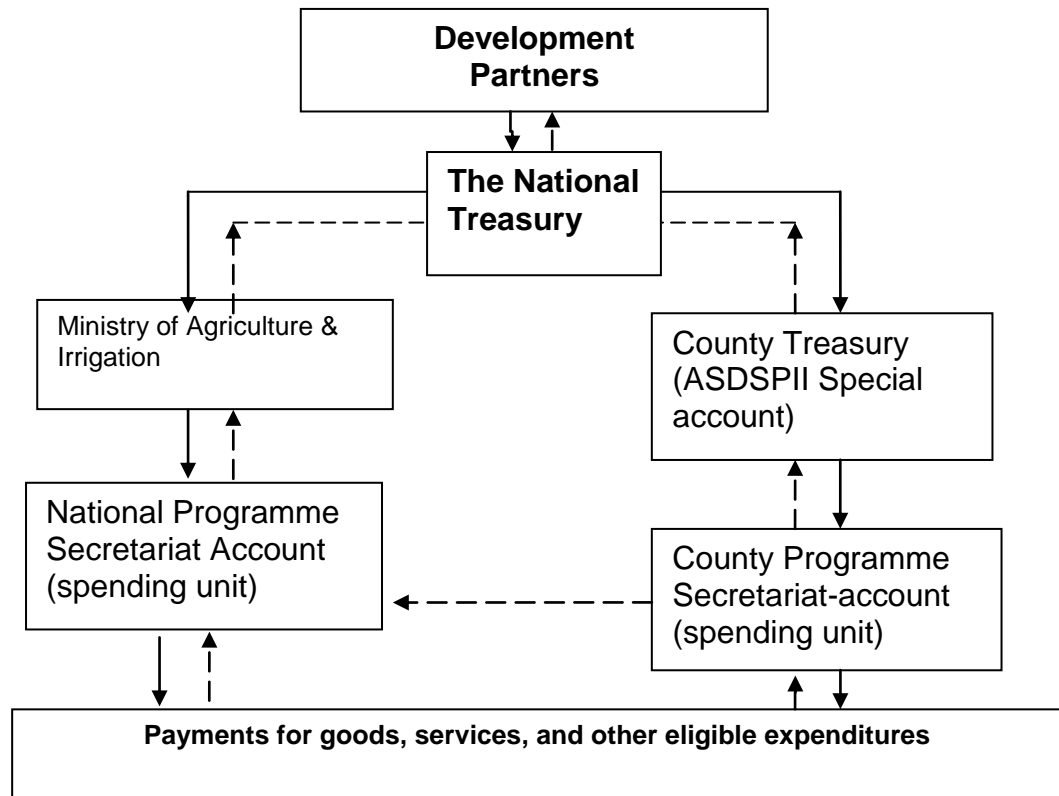
The accounting officers will authorize respective programme coordinators to manage programme resources in accordance to the approved work plans and as guided from time to time by the respective programme steering committees.

The Programme secretariats at the counties and the national level will account for funds disbursed through the normal government accounting structures. County Programme secretariat and national programme secretariat will provide expenditure returns on monthly basis to the National Treasury through the line County Department and County treasury and through the line Ministry respectively. Technical reports (Semi-annual and annual reports) will also include financial components. County monthly returns to the county treasuries shall be copied to the national programme secretariat for compiling and subsequent reporting to National Treasury.

The annual fund disbursement and reporting process will be as outlined in figure 1

***The programme is carried out in accordance with the 'programme document March 2017'***

Figure 1: ASDSP annual fund disbursement and reporting process



**Key:**  
 —————> Flow of funds  
 - - - - -> Reporting

In addition to financing from DPs and GOK, the programme will leverage the core funds to access additional financing from other stakeholders especially programmes in the sector as well as those outside the sector but relevant, and from private sector/business sector actors. Such financing shall be managed through the “Extended Concept Approach”. Under the extended concepts, Value chain actors will develop concepts or proposals through a participatory process. The amounts to be leveraged through this avenue will be known when concepts have been developed and financing of the concept activities funded by other programmes through agreed mechanism of partnerships. Once a proposal is approved and all conditions fulfilled, the CPS and NPS will respectively disburse the ASDSP contributions to the bank accounts of the county and national implementing partners/lead organizations in accordance with agreed MOUs.

## **2.0 ROLLING AUDIT ASSIGNMENT**

### ***2.1 Introduction***

During ASDSP I the external rolling audit was carried out as one of the financial management tools. Experiences show that a system of external rolling audits of programme implementation costs is an efficient way to ensure transparent and efficient use of programme resources including funds. Moreover, the external audit services allow management to spend more time to concentrate on technical issues.

Besides the regular auditing of programme accounts and financial reports, ASDSP II will also conduct a system of rolling audits. Regular internal audits will be conducted by the auditing units within the MoALF and the County Finance and Planning Departments. The responsibility for annual external audit of the funds will be vested in the Kenya National Audit Office (KENAO) and independent external firm.

As the part of the financing agreement between GoK and GoS, the MOALF&I is required to engage the services of an independent External Audit firm to carry out rolling audits within the 5 year ASDSP II implementation period.

### ***2.2 Objective of the Rolling Audit***

The objective of the rolling audit will be to:

- I. Carry out rolling audit to financially review and follow-up on the utilization of funds (both GOK and GOS funds) that will be disbursed to the 48 ASDSP II spending units during the implementation period, July 2017 to June 2022.
  - II. monitor and follow-up of the programme resources including human and other assets
  - III. build on the job capacity among the people involved in the programme financial activities
- Specifically, The Rolling Audit will be expected to cover the following areas:

- Regular independent financial appraisals of the Programme;
- Review the Risk management policy frame work;
- Flag out potential financial problems up-front;
- Conduct value for money reviews;
- Track disbursement of funds from the sources to spending units, mapping the flow and timing of resources;
- Review and establish whether expected outputs from specific activities have been accomplished;
- Assess the efficiency and effectiveness of the programme human resource capacity at all levels of implementation;
- Assess and review the effectiveness and efficiency in the usage of the programme asset at all levels of implementation;
- Impact financial management capacity and skills among the officers involved in financial management of the programme.

### ***2.3 Consultancy Scope of Work***

The consultancy in the course of undertaking this exercise will be required to fulfil the following activities.

***Provide bi- Annual Audit reports that include:***

- i. Flow of funds to the Programme from the GoK (national and county) and the Development Partners (DPs) to the spending units.
- ii. Implementation of approved annual work plans
- iii. Receipt and expenditure validation in all spending units;
- iv. Internal control on management and financial systems.
- v. Management of the human and other programme assets
- vi. A complimentary aspect to programme management on monitoring and evaluation and the systems deployment.
- vii. Implementation of prior period audit recommendations.
- viii. Recommendations to the management to address significant internal control weaknesses identified.

***Value for Money Analysis:***

- i. Review physical outputs and funds utilisation including verification of accomplishment of outputs from specific activities.
- ii. Analytical reviews of actual expenditure to the budget.
- iii. Review the effectiveness and efficiency of the management and governance structures;
- iv. Review the Receipt and expenditure validation by implementing partners at all levels including the Grant funds on VCD Innovation provided to VCA
- v. Review the effectiveness in the use of programme assets
- vi. Review the procedures used in the procurement of goods and services.

***Operational auditing***

- i. Review the books of Accounts maintained by all the spending units
- ii. Review Financial and cash management systems
- iii. Review the supply chain management system
- iv. Conduct verification of tangible and intangible activities
- v. Review the Monitoring & Evaluation reports and actions taken

***On-the-Job capacity development***

- i. Assess capacity needs among the people involved in programme financial management as part of auditing process
- ii. Identify and flag out serious capacity gaps and potential financial risks to the programme and sector management
- iii. Build capacity and impart financial management skills at point of weaknesses and capacity gaps identified
- iv. Recommend for further training where on-the job training will not be adequate.
- v. Facilitate ASDSP II management at both levels of government to take corrective measures and action in a timely manner

***Compliance with Laws and Regulations***

The rolling audit should review adherence and compliance with the following:

- Compliance with the Government Financial Regulations and procedures;
- Compliance with reporting requirements of both GoK and GoS;
- Compliance with the funding Agreement;
- Compliance with programme MOUs between the national government and county governments
- Compliance with relevant ASDSP II , programme document, programme implementation framework, implementation guidelines, and manuals and
- in accordance with international standards issued by the international Organisation of Supreme Audit Institutions (INTOSAI) or the International Federation of

Accountants (IFAC) or in accordance with comparable national standards

#### ***2.4 Rolling Audit Schedule***

Semi -annual rolling audits will be done during the month following the end of the half year (January and July). The annual audit shall also constitute the post-mortem audit for the whole financial year. However, three audits will be done during the first year of implementation (3 months after the start of the programme implementation), then at 6 months and end of the first year.

The selected audit firm in consultation with ASDSP II management will produce a schedule of how it proposes to audit all the spending units by End of August and February every year.

#### ***2.5 Rolling Audit Method***

The auditor shall present to the Accounting officer through the National Programme coordinator ASDSP their proposed work programme for the implementation of the five year Rolling Audit plan.

In consultation with the JASSCOM, NPS and the CPS the auditor will develop respective semi-annual visit schedule to the 48 spending units.

The auditor shall prepare an audit plan as per the agreed schedule and visit the spending units to carry out the actual Audit.

The Auditor in consultation with the JASSCOM and national programme coordinator may visit MoALF, Counties, national and county treasuries, Auditor General's Office, Swedish Embassy, internal audit units at the two levels, Accounting officers, and ASDSP management teams.

Any questions/ clarifications regarding the implementation of the Rolling Audit shall be directed to the accounting officers at both levels through the ASDSP programme coordinators.

The Auditor shall have quarterly meetings with National programme coordinator to review progress of rolling audit. The meetings and meeting venues shall be held and chaired alternately between Auditor and NPC.

Tripartite meetings twice in the financial year necessary between Auditor, Embassy and GoK (ASDSP coordinator and CoG) will also be held

#### ***2.6 Reporting***

The consultant will provide an inception report and regular audit reports to the NPS which will be shared to JASCOM Embassy of Sweden

##### ***Inception report***

The consultant shall submit an inception report to the accounting officer through the NPC outlining the five year Rolling Audit programme, 10 working days after signing of the contract.

##### **Semi-annual and annual reports**

The consultant shall provide to the NPS, half yearly audit reports which will be shared to the JASSCOM and Embassy of Sweden and which will form part of the Agenda for the half yearly steering and bilateral programme meetings respectively



The consultant shall discuss with auditees their audit findings before drafting the interim reports

The Consultant shall submit draft interim audit reports to the NPS for comments within 14 working days after the audits are carried out.

The management shall submit comments to the consultant within 14 days'

The consultant shall incorporate the comments and submit a final semi-annual report to the management with a copy to the MOALF&I and County relevant departments. For the purposes of ensuring alignment with country audit systems, the consolidated report shall also be shared with KENAO.

The annual audit report shall be the compilation of half yearly audits and, the Consultant shall summarise the findings in a statement of auditor's opinion. The consolidated final annual audit report shall be submitted to MOALF&I, The National Treasury, KENAO and GOS.

If requested, the Consultant shall present and discuss the report with the Principal Secretaries of the MoALF&I, COs of relevant departments and National and county Treasuries, the ASDSP programme coordinators, JASSCOM and Sweden, jointly or individually.

The Principal Secretaries and Chief Officers shall submit their written comments to the Consultant within 10 working days after receipt of the draft reports.

The Consultant shall then submit a final report within 10 working days to the Auditor General copied to those offices listed under confidentiality section (8) above.

***All communication with the Client shall be in English***

### ***2.7 Professional Qualification and Experience***

The bidder is expected to have extensive experience in the management and execution of assignments of auditing in the public sector. Competence will be evaluated on two main areas namely:

- Proven technical capability in the area of the assignment,
- Core staff compétences.

In general, the Bidder is expected to have the following characteristics:

- The bidder shall be a firm reputed in provision of auditing services for Public entities in Kenya and Globally.
- The bid proposals should state in details similar assignment undertaken by the firm including references and names of contacts person(s) for each assignment within the last 3 years
- The bidder should provide further proof of legal, technical and financial capacity to undertake an exercise of this magnitude.
- Observe gender balance in team composition for the assignment
- CVs of personnel to be engaged at various levels and stages of the assignment. To this end, the proposed personnel should possess relevant qualifications and certifications in the area of financial management system/audit/ and /or risk management. At least one of the personnel should have knowledge and experience in policy process in the agricultural and rural development sector in Kenya.

### ***2.9 Timing of the Audit Services***

The audit services will be for the period of five years December 2017 to December 2022. The contract will be split into two phases, phase one will last three years, December 2017 to August 2020 , while phase two will run from September 2020 to December 2022. Extension of the contract from phase one to two will depend on successful implementation of phase one. The assessment of the services for renewal shall be done three months before expiry date of phase one contract.