

**BANKI
KUU YA
KENYA**



**CENTRAL
BANK OF
KENYA**

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**REQUEST FOR PROPOSALS FOR PROVISION OF CONSULTANCY
SERVICES ON FINANCIAL INCLUSION REGULATORY IMPACT
ASSESSMENT IN KENYA**

RFP NO. CBK/RFP/003/2015-2016

CLOSING DATE: 17TH SEPTEMBER, 2015 AT 10.30 A.M

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SECTION I: LETTER OF INVITATION

1. The Central Bank of Kenya invites proposals for **Provision of Consultancy Services on Financial Inclusion Regulatory Impact Assessment in Kenya.**

2. Further information as pertains to this tender may be obtained during working hours (Monday to Friday) between 9:00 am and 5:00 pm using the following address: **The Ag. Director, Procurement and Logistics Services, Tel: +254 20 2861000/2860000, 5th Floor, Central Bank of Kenya, Haile Selassie Avenue, Nairobi, Email: supplies@centralbank.go.ke**

3. A complete set of Request for Proposal documents containing detailed information may be obtained from Central Bank of Kenya, Head Office, along Haile Selassie Avenue, Procurement and Logistics Services Department on 5th Floor upon payment of Non-refundable fee of **KShs.1,000** in cash or Bankers Cheque payable to Central Bank of Kenya OR be downloaded from the link: **<http://supplier.treasury.go.ke/site/tenders.go/index.php/public/tenders> OR website: www.centralbank.go.ke for free.** Bidders who download the tender document are advised to sign a tender register at Procurement and Supplies Division on 5th Floor CBK Building or email their contact address using the email: supplies@centralbank.go.ke before the tender closing date.

4 The Technical Proposal and Financial proposal are to be put in different envelopes clearly marked “Technical Proposal” and “Financial Proposal” and sealed in one envelope. Completed Request for Proposal documents should then be deposited in the **Green Tender Box No. 3** at the main entrance, ground floor of **Central Bank of Kenya along Haile Selassie Avenue**, so as to be received on or before **17th September, 2015 at 10.30 am.**

5 The Technical Proposals will be opened immediately after the closing time i.e **17th September, 2015 at 10.30 am** in the **DPLS Conference Room on 5th Floor** Central Bank of Kenya Head Office in Nairobi. Interested tenderers or their representatives may attend the tender opening. The Financial Proposals for bidders meeting the technical requirements will be opened upon finalization of the Technical Proposal Evaluation.

6. Prices quoted should be inclusive of all taxes and delivery costs, must be expressed in Kenya shillings and shall remain valid for a period of **120 days** from the closing date of the tender.

7. The Proposals must be accompanied by a **Tender Security of Kshs. 50,000.00**, valid for **150 days**. The Tender Security should be attached to the Technical Proposal. Failure to attach the Tender Security will lead to automatic rejection of the proposal.

**DIRECTOR
PROCUREMENT & LOGISTICS SERVICES**

SECTION II – INFORMATION TO CONSULTANTS (ITC)

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2.1 Introduction

- 2.1.1 The Procuring Entity will select a firm among those invited to submit a proposal, in accordance with the method of selection detailed in the appendix.
- 2.1.2 The consultants are invited to submit a Technical Proposal and a Financial Proposal, as specified in the Appendix "ITC" for consulting services required for the assignment named in the said Appendix. 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 firsthand 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 Procuring Entity 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 Procuring Entity 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 relatives (spouse and children) are not eligible to participate.
- 2.1.7 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, cable, telex, facsimile or electronic mail to the Procuring Entity address indicated in the Appendix "ITC". The Procuring Entity will respond by cable, telex, facsimile 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 Procuring Entity may for any reason, whether at its own initiative or in response to a clarification requested by an invited consultant(s), amend the RFP. Any amendment shall be issued in writing through addenda. Addenda shall be sent by mail, cable, telex or facsimile to all invited consultants and will be binding on them. The Procuring Entity may at its 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 shall 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. Consultants shall not associate with the other consultants invited for this assignment. 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 majority of the key professional staff proposed be permanent employees of the firm or has 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 Procuring Entity.
- (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 five (5) 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) Any additional information requested in Appendix "A".

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 V). 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, training, and follow-up support, if it is a major component of the assignment. Where 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 "A" specifies otherwise.

- 2.4.3 Consultants shall express the price of their services in Kenya Shillings.
- 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 Procuring Entity will make its best effort to complete negotiations within this period.

2.5 **Submission, Receipt, and Opening of Proposals**

- 2.5.1 The original proposal (Technical Proposal and the Financial Proposal; see Para. 1.2) shall be prepared in indelible ink. It shall contain no **interlineations or overwriting**, except as necessary to correct errors made by the firm itself. Any such corrections must be 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 "A". Each Technical Proposal and Financial Proposal shall be marked "**ORIGINAL**" or "**COPY**" as appropriate. If there are any discrepancies between the original and the copies of the proposal, the original shall govern.
- 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 outer envelope and the Technical Proposal shall be opened immediately by the opening committee. The Financial Proposal shall be marked with the consultant's number allocated at the time of opening of the outer envelope and the Technical proposals but shall remain sealed and in the custody of a responsible officer of the procuring entity up to the time set for opening it.

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 procuring entity 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 procuring entity 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 procuring entity shall evaluate the proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria as follows:

- | | | |
|-------|--|---------------|
| (i) | Specific experience of the consultant related to the assignment | (5-10) |
| (ii) | Adequacy of the proposed work plan and methodology in responding to the terms of reference | (20-40) |
| (iii) | Qualifications and competence of the key staff for the assignment | (30-40) |
| (iv) | Suitability to the transfer of Technology Programme (Training) | <u>(0-10)</u> |

Total Points **100**

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".

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, meet the mandatory requirements or if it fails to achieve the minimum technical score indicated in the Appendix "ITC". The consultant may be asked as part of their evaluation to demonstrate their proposal or arrange a visit to an institution where similar services have been provided. This will be at the discretion of the procuring entity. A tenderer must score a minimum of 75% to qualify.

2.8 Public Opening and Evaluation of Financial Proposal

- 2.8.1 After Technical Proposal evaluation, the procuring entity shall notify those consultants whose proposals did not meet the minimum qualifying mark or were considered non-responsive to the RFP and Terms of Reference, indicating that their Financial Proposals will be returned after completing the selection process. The procuring entity 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 registered letter, cable, telex, facsimile 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 procuring entity 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 The formulae for determining the Financial Score (Sf) shall, unless an alternative formulae is indicated in the Appendix "ITC", be as follows:-

$$Sf = 100 \times \frac{F_m}{F}$$
where Sf is the financial score; F_m 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.**
- 2.8.5 The tender evaluation committee shall evaluate the tender within **15 days** from the date of opening the tender.
- 2.8.6 Contract price variations shall not be allowed for contracts not exceeding one year (12 months).
- 2.8.7 Where contract price variation is allowed, the variation shall not exceed 10% of the original contract price

- 2.8.8 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 (work plan), staffing and any suggestions made by the firm to improve the Terms of Reference. The procuring entity and the 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 procuring entity expects to negotiate a contract on the basis of the experts named in the proposal. Before contract negotiations, the procuring entity will require assurances that the experts will be actually available. The procuring entity 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 procuring entity and the selected firm will initial the agreed Contract. If negotiations fail, the procuring Entity 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 procuring entity 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.

- 2.10.2 The selected firm is expected to commence the assignment on the date and at the location specified in Appendix "A".
- 2.10.3 The parties to the contract shall have it signed within 30 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 to consultants and the provisions of the appendix, the provisions of the appendix herein shall prevail over those of the information to consultants.

INFORMATION TO CONSULTANTS REFERENCE	PARTICULARS OF APPENDIX TO INFORMATION TO CONSULTANTS
2.1.1	<p>The name of the Client is: Central Bank of Kenya; and</p> <p>The method of selection is: Quality and Cost Based selection</p>
2.1.2	<p>Technical and Financial Proposals are requested: Yes</p> <p>2.The name and description of the assignment is: Request for Proposals for Provision of Consultancy Services on Financial Inclusion Regulatory Impact Assessment in Kenya.</p>
2.1.3	<p>A pre-proposal conference will be held: NO.</p> <p>The name, address and telephone numbers of the Client's official(s) is: Director, Department of Procurement & Logistics Services (Tel: +254 20 2860000), CBK Head Office, on 6th Floor between 9:00 am and 5:00 pm during working days.</p>
2.1.4	<p>The Procuring Entity will provide the following inputs:</p> <ul style="list-style-type: none"> • Facilitate the acquisition of the relevant legislations on provision of financial services in Kenya. • Procure training facilities for training to be conducted. • Provide contact information, where available, for purposes of the exercise.
2.1.6	<p>The Procuring Entity employees, committee members, board members and their relatives (spouse and children) are not eligible to participate. Further former employees, committee members and board members who have left the Bank within the last one year are not eligible to participate in this request for proposal.</p>
	<p>Tenderers shall furnish, as part of its tender, a tender security amounting to KShs. 50,000.00 in the form provided in this tender document, valid for 150 days from the date of tender opening.</p>

2.3.3	i). The minimum required experience of proposed professional staff is: five (5) Years ii). Not applicable in this proposal (iv). Training is a specific component of this assignment
2.3.4(vii)	Appendix A is not applicable
2.4.5	The Proposal must remain valid for 120 days after the submission date.
2.5.2	Consultants must submit an original and one (1) additional copy of each proposal.
2.5.3	Proposal documents should be deposited in the Green Tender Box No. 3 at the main entrance, ground floor of Central Bank of Kenya along Haile Selassie Avenue , so as to be received on or before 17th September, 2015 at 10.30 am OR posted to Central Bank of Kenya, P. O. Box 60000- 00200, Nairobi, Kenya, Haile Selassie Avenue, Telephone 2860000, Email: supplies@centralbank.go.ke . Information on the outer envelope should also include the same address and Request for Proposal Number.
2.5.4	Proposals must be submitted no later than 17th September, 2015 at 10.30 am .
2.6.1	The address to send information to the Client is: Central Bank of Kenya, P. O. Box 60000 - 00200, Nairobi, Kenya, Haile Selassie Avenue, Telephone 2860000, Email: supplies@centralbank.go.ke
2.8.1	The opening date for Financial proposals will be communicated to bidders meeting the minimum technical qualifying mark. The date will be convenient to the parties and will put into consideration the urgency of the services.

2.7.1 EVALUATION CRITERIA TO BE USE TO EVALUATE THE PROPOSALS

The received RFP will be evaluated in four stages as detailed below:

1. Stage 1: Compliance with Mandatory Requirements;
2. Stage 2: Compliance with Technical requirements
3. Stage 3: The Financial Evaluation
4. Stage 4: Making Recommendations

Stage 1: Compliance with the Mandatory Requirements (MR)

The first stage of the evaluation will involve determination of responsiveness to the mandatory requirements of the Request for proposals that will include:

No	Requirements	COMPLIANCE
MR 1	Provision of documentary evidence of the company's certificate of incorporation or other similar constitutive documents.	
MR 2	Provision of a copy of the company's valid tax compliance certificate or related documents issued by relevant tax authority.	
MR 3	Provision of audited financial statements/accounts for the last two years.	
MR 4	Provision of Tender Security (Bid Bond) of KShs.50,000.00 in the form provided in the tender document	

The second stage will involve technical evaluation of the bids that meet all the Mandatory Requirements in stage one.

Stage 2: Compliance with the Technical Requirements

Proposals meeting all the mandatory requirements will be subjected to technical evaluation based on the criteria given below:

No.	Evaluation Attribute	Tenderer's Response	Weighting Score	Max Score %
1.	Relevant Experience of the Consultancy Firm related to the Assignment (Provide list of the assignments, respective clients, dates and contract amount).		<ul style="list-style-type: none"> Over 5 years relevant experience - 15 % Below 5 years - 0 % At least five (5) related assignments undertaken in the last 5 years. Each relevant assignment - 2 % up to a max. of 10 % 	15 10
2.	Relevant academic qualifications and background of the lead consultant: <i>At least a Masters Degree in Sociology, Economics, Finance, Statistics or related discipline from a recognized university - provide signed CV and copies of certificates.</i>		<ul style="list-style-type: none"> Masters and above -15% Degree holders with relevant post graduate qualification - 5% Others -Nil 	15

3.	Relevant research skills and field experience of the lead consultant: <i>At least five (5) years' experience in designing and implementing regulatory impact assessments (or training in the same field).</i>		<ul style="list-style-type: none"> • Ten years and above with proof of at least five related projects undertaken (Provide list of projects and their costs) – 25 % • Five to ten years with at least three projects - 15 % • Below five years – 0% 	25
4.	Demonstrable knowledge and experience of the lead consultant or one of the proposed members of the technical team of the basic structure, key stakeholders and role of the financial sector in Kenya.		Provision of high level written draft on the financial sector in Kenya, particularly the banking sector, highlighting the: <ul style="list-style-type: none"> i. Basic structure ii. Key Stakeholders iii. Role of financial sector in Kenya 	10
5.	Provide a one page brief on the framework of how you will undertake/implement the study based on the Terms of Reference (ToR).		<ul style="list-style-type: none"> • A written brief not more than a page on the implementation plan of the study as per the TOR – 15% 	15
6.	FINANCIAL STABILITY Liquidity Ratio		2:1 – 10 marks; 1:1 – 5 marks; less than 1:1 no mark	10
	Total			100

Note:

$$\checkmark \text{ Current Ratio (Liquidity)} = \text{Current Assets/Current Liabilities}$$

The minimum technical score required to pass: Seventy Five percent(75%)

Only bidders scoring seventy five percent (75%) and above in the technical evaluation will have their financial bids opened for financial evaluation.

The third and final stage will be carried out as per clause 2.8.4. The weight to be assigned for Technical score (t) will be 80% while Financial score (p) will be 20%. The firm achieving the highest combined technical and financial score will be invited for negotiations.

2.10.2 The assignment is expected to commence after the signing of the contract.

SECTION III: - TERMS OF REFERENCE

3.1 Background

The Government of Kenya's economic blue print, Vision 2030, recognizes the critical role of the financial sector in enhancing stability, efficiency and access. This is key in raising the levels of savings and efficiently allocating resources in order to spur economic development as per the Vision's goals. Towards this end, the Central Bank of Kenya has been involved in a three-phased financial inclusion project, sequenced as follows:

3.1.1 Phase One: Review of existing data sets and preliminary research: Gap Analysis

Carrying out a comprehensive gap analysis of the existing supply and demand side datasets to draw insights and conclusions about the status, levels and trends of financial inclusion in Kenya. The results of the Gap Analysis study established the need to:

- a. Refine specific financial inclusion policy objectives across policy making bodies and industry in order to have consistent definitions that would ensure that supply side data can be aggregated across providers. This was with particular regard to definitions of terms such as Small and Micro Enterprises (SME), long term savings products and interoperability.
- b. Create a centralized location for financial inclusion data with the Central Bank of Kenya taking the lead in actively documenting and archiving all financial inclusion datasets and reports.
- c. Improve transparency and disclosure around interest rates and charges. This is because the new consumer protection prudential guidelines call for transparency, however this is limited to banks and further, they do not set specific standards for structure of disclosure across financial service providers.
- d. Collecting more accurate, regular information about consumer complaints and recourse to enable policy makers understand whether balanced financial inclusion was taking place.

3.1.2 Phase Two: Diagnostic Study on Financial Inclusion

The gaps identified in Phase One informed the need for the Central Bank to carry out a supplementary diagnostic study on the status of financial inclusion in Kenya. This ongoing study will provide additional demand-side and more so supply-side datasets to provide a clearer picture of the financial sector and access landscape as well as the constraints hindering the enhancement of financial inclusion in the country.

3.1.3 Phase Three: Regulatory Impact Assessments and Capacity Building

Regulatory Impact Assessments (RIAs) are useful in systematically evaluating the performance and adequacy of existing laws, regulations and guidelines. This exercise will be useful in establishing the relevance or redundancies of existing laws, regulations and guidelines; and identifying new and untapped areas for innovative and cost effective policy reform within the financial sector.

The Central Bank of Kenya (CBK), therefore, intends in Phase Three of this project, to develop an appropriate Regulatory Impact Assessment (RIA) framework as well as carrying out, and building staff capacity to carry out, relevant regulatory impact assessments. The scope of the RIA in this particular project will be limited to training and technical assistance in designing and conducting RIAs to appraise existing laws, regulations and guidelines.

The main purpose of these Terms of Reference (TOR) are to set out requirements for the recruitment of professional consultancy firm or a consortium of consultancy firms with practical and demonstrated experience to undertake a Financial Inclusion- Regulatory Impact Assessment (RIA). Both public and private sector applicants are welcome to apply.

3.2 Objectives of the Consultancy

The broad objectives of the project are:

- a. To train and build capacity for the Central Bank of Kenya to understand RIAs and learn how to design and carry out effective and efficient regulatory assessments.
- b. To develop and implement an appropriate RIA framework on the assessment of the impact of specific laws on financial inclusion for the Central Bank of Kenya in compliance with the Statutory Instruments Act, 2013.

Specifically, the consultancy will be expected to carry out short term training and provide follow up technical assistance towards the design and implementation of a RIA:

3.2.1 Training and Capacity building in Regulatory Impact Assessments

The proposed capacity building activities will include:

- i). In - house training in quantitative techniques and analysis in order to develop the necessary knowledge and skills to design, implement, evaluate and monitor RIAs.
- ii). Technical assistance in the development and implementation of RIA manuals, programs and assessment templates.

3.2.2 Design and Implementation of Regulatory Impact Assessment

The development of an appropriate Regulatory Impact Assessment (RIA) methodology or framework fully tailored to the Kenyan context is a critical deliverable and output of the training and technical assistance we seek. The proposed steps of developing a Regulatory Impact Assessment (RIA) framework and implementing the assessments will inform the content of the training program. This includes:

3.2.2.1 Design Stage

This includes the following activities:

- a. Development of RIA training and implementation manuals, including monitoring programs.
- b. Development of comprehensive RIA programs or templates to be used when implementing the assessments.

At this stage, the various assessment manuals, templates and programs will be designed together with the training participants to ensure their contextualization to the Kenyan situation.

3.2.2.2 Implementation Stage

The training program should cover the following key steps expected to be contained in the assessment:

- Definition of the policy objectives in a clear and concise manner to ensure that there are no ambiguities and contradictions regarding expected results from the data to be collected.
- Identification and definition of all possible regulatory and non-regulatory options that will achieve the policy objective.
- Identification and quantification of the impacts of the options considered, including costs and benefits and other social, economic and environmental impact.
- The development of enforcement and compliance strategies for each option, including an evaluation of their effectiveness and efficiency.
- The development of monitoring mechanisms to evaluate the success of the policy proposal and to inform the development of future laws, regulations and guidelines.
- Continuous public consultation to provide the opportunity for all stakeholders to participate in the regulatory process.
- Plan for evaluation.

3.2.2.3 Scope of the Work

The training consultant will undertake short term training and provide follow-up technical assistance to ensure CBK staff are able to understand how to design and implement RIAs.

3.2.2.4 Conduct of the Work

In undertaking this work, the Consultant will report to the Project Manager appointed by the Central Bank of Kenya under the Financial Inclusion project

3.2.2.5 Key Outputs and Deliverables

The output of the exercise will include:

- a. Training Report with recommendations on further training and capacity building modalities on how best to carry out an appropriate and cost-effective diagnostic study on the status of financial inclusion in Kenya.
- b. A tailored draft RIA implementation manual.
- c. Draft assessment criteria/programs or templates to be used when implementing the RIA.

3.2.2.6 Timeline

This is a short-term consultancy whose duration will not exceed **eight (8) weeks** from the date of commencement.

3.2.2.7 Capacity and Relevant Consultancy Experience

The professional consultancy firms or a consortium of consultancy firms should:

- (i) Demonstrate requisite knowledge and technical competence and demonstrated practical experience in designing and implementing RIAs either nationally and/or internationally. In-country or regional experience will be an added advantage.
- (ii) Should have a minimum of 10 years' experience in designing and implementing (or training in the same) RIAs. Alternatively the lead trainers should demonstrate combined cumulative experience of 10 years.

SECTION IV - TECHNICAL PROPOSAL

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4.1. TECHNICAL PROPOSAL SUBMISSION FORM

[_____ Date]

To: Director, DPLS

Ladies/Gentlemen:

3.We, the undersigned, offer to provide the consulting services **for provision of consultancy services on Financial Inclusion Regulatory Impact Assessment in Kenya.**

In accordance with your Request for Proposal dated _____and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

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:]

4.2. FIRM'S REFERENCES

Relevant Services Carried Out in the Last Three Years 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)

4.3. COMMENTS AND SUGGESTIONS OF CONSULTANTS ON THE TERMS OF REFERENCE AND ON DATA, SERVICES AND FACILITIES TO BE PROVIDED BY THE CENTRAL BANK OF KENYA.

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.

4.4 DESCRIPTION OF THE METHODOLOGY AND WORK PLAN FOR PERFORMING THE ASSIGNMENT

4.5 TEAM COMPOSITION AND TASK ASSIGNMENT

1. Technical/Managerial Staff

Name	Position	Task

2. Support Staff

Name	Position	Task

4.6. 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: _____

4.7. TIME SCHEDULE FOR PROFESSIONAL PERSONNEL

Months (in the Form of a Bar Chart)

Name	Position	Reports Due/ Activities	1	2	3	4	5	6	7	8	9	10	11	12	Number of months

Reports Due: _____

Activities Duration: _____

Signature: _____
(Authorized representative)

Full Name: _____

Title: _____

Address: _____

4.8. 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 V: - FINANCIAL PROPOSAL

Notes on preparation of Financial Proposal

- 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.
- 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. Where another currency other than Kenya shillings is used, the applicable rate for conversion will be the **CBK mean rate for the date of tender opening**.
- 3 The financial proposal should be prepared using the Standard forms provided in this part

SECTION V - FINANCIAL PROPOSAL STANDARD FORMS

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5. 1. FINANCIAL PROPOSAL SUBMISSION FORM

_____ [Date]

To: Director,
Department of Procurement & Logistics Services
Central Bank of Kenya
P.O. Box 60000 - 00100
Nairobi, Kenya

Ladies/Gentlemen:

4.We, the undersigned, offer to provide the consulting services **for provision of consultancy services for Financial Inclusion Regulatory Impact Assessment in Kenya** in accordance with your Request for Proposal datedand our Proposal. Our attached Financial Proposal is for the sum of Kenya shillings _____ [Amount in words and figures] inclusive of the taxes.

We remain,

Yours sincerely,

_____ [Authorized Signature]

:

_____ [Name and Title of Signatory]:

_____ [Name of Firm]

_____ [Address]

5.2. SUMMARY OF COSTS

Costs	Taxes	Total Amount(s)
Activity No. 1.		
2.		
3.		
4.		
5.		
Etc.		

5.3. BREAKDOWN OF PRICE PER ACTIVITY

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

5.4. 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			_____	_____

5.5. 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			
6.	Advertisement	Item			_____

5.6. 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				<hr/>

SECTION VI: SAMPLE CONTRACT FOR CONSULTING SERVICES -SMALL ASSIGNMENTS -LUMP-SUM PAYMENTS

CONTRACT FORM

This Agreement, [hereinafter called "the Contract"] is entered into this _____/ by and between Central Bank of Kenya whose registered office is situated at CBK Head office, Haile Selassie Avenue (hereinafter called "the Client") of the one part AND

_____ of [or whose registered office is situated at]_____ 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_____ and continuing through to_____, 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_____. 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 here below. 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 _____ 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

Full name; _____

Title: _____

Signature; _____

Date; _____

FOR THE CONSULTANT

Full name; _____

Title: _____

Signature; _____

Date; _____

CONFIDENTIAL BUSINESS QUESTIONNAIRE

You are requested to give the particulars indicated in Part 1 and either Part 2 (a), 2(b) or 2(c) whichever applied to your type of business.

You are advised that it is a serious offence to give false information on this form.

Part 1 General

Business Name
Location of Business Premises
Plot No, Street/Road
Postal address Tel No. Fax Email
Nature of Business
Registration Certificate No.
Maximum value of business which you can handle at any one time - Kshs.
Name of your bankers
Branch

Part 2 (a) – Sole Proprietor

Your name in full.....Age.....
Nationality.....Country of Origin.....
Citizenship details
.....

Part 2 (b) – Partnership

Given details of partners as follows

Name	Nationality	Citizenship details	Shares
1.
2.
3.
4.

Part 2 (c) – Registered Company

Private or Public

State the nominal and issued capital of company

Nominal Kshs.

Issued Kshs.

Given details of all directors as follows

Name	Nationality	Citizenship details	Shares
1.
2.
3.
4.

Date.....Signature of Candidate.....

TENDER SECURITY FORM

Whereas[name of the tenderer]

5.(hereinafter called "the tenderer")has submitted its tender dated.....[date of submission of tender] **provision of consultancy services on Financial Inclusion Regulatory Impact Assessment in Kenya** (hereinafter called "the Tenderer").....

KNOW ALL PEOPLE by these presents that WE.....

Of.....having registered office at

[name of procuring entity](hereinafter called "the Bank")are bound unto **Central Bank of Kenya** (hereinafter called "the procuring entity") in the sum of

for which payment well and truly to be made to the said Procuring entity, the Bank binds itself, its successors, and assigns by these presents. Sealed with the Common Seal of the said Bank this_____ day of 20_____.

THE CONDITIONS of this obligation are:

1. If the tenderer withdraws its Tender during the period of tender validity specified by the tenderer on the Tender Form; or
2. If the tenderer, having been notified of the acceptance of its Tender by the Procuring entity during the period of tender validity:

- (a) fails or refuses to execute the Contract Form, if required; or
- (b) fails or refuses to furnish the performance security, in accordance with the instructions to tenderers;

we undertake to pay to the Procuring entity up to the above amount upon receipt of its first written demand, without the Procuring entity having to substantiate its demand, provided that in its demand the Procuring entity will note that the amount claimed by it is due to it, owing to the occurrence of one or both of the two conditions, specifying the occurred condition or conditions. This guarantee will remain in force up to and including thirty (30) days after the period of tender validity, and any demand in respect thereof should reach the Bank not later than the above date.

[signature of the bank]

(Amend accordingly if provided by Insurance Company)

LETTER OF NOTIFICATION OF AWARD

Central Bank of Kenya
P.O. Box 60000 - 00200
Nairobi, Kenya

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

DECLARATION FORM

Date _____

To _____

The tenderer i.e. (name and address) _____

_____ declare the following:

- a) Has not been debarred from participating in public procurement.
- b) Has not been involved in and will not be involved in corrupt and fraudulent practices regarding public procurement.

Title

Signature

Date

(To be signed by authorized representative and officially stamped)