



**KENYA REVENUE
AUTHORITY**

ISO 9001:2000 CERTIFIED

**REQUEST FOR PROPOSALS (RFP)
SELECTION OF CONSULTANTS TO
CONDUCT;**

CUSTOMER PROFILING AND SEGMENTATION

RFP NO. KRA/HQS/RFP-054/2018-2019

**TIMES TOWER BUILDING
P.O. BOX 48240 - 00100
TEL: +254 02 310900
FAX: +254 02 215809
NAIROBI, KENYA.**

PREBID DATE: 16TH MAY, 2019; 10.00 AM

CLOSING DATE: 30TH MAY, 2019 AT 11.00AM

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Tender Notice

1. The Kenya Revenue Authority invites sealed bids from eligible candidates for the following tenders:

NO	DESCRIPTION	ELIGIBILITY	PRE- BID - DATE, TIME, AND VENUE	CLOSING DATE AND TIME
1.	KRA/HQS/RFP-054/2018-2019, REQUEST FOR PROPOSALS TO CONDUCT CUSTOMER PROFILING AND SEGMENTATION	OPEN	16TH, MAY, 2019 10.00. AM (TIMES TOWER)	30TH MAY, 2019 11.00 AM

2. Tender documents detailing the requirements of the above tenders in English may be obtained from KRA E-Procurement portal available on the KRA website www.kra.go.ke. Prospective bidders should register for E-Procurement to enable them access the KRA portal under “New Supplier Registration” found under the E - Procurement Tab.
3. Existing KRA suppliers (see list on KRA website) who have not updated their records in SRM System **MUST do so to continue receiving RFxs invitations**. For assistance visit any KRA Procurement office countrywide or email: srmsupport@kra.go.ke.
4. Addenda / clarifications will be posted in Kra Website (www.kra.go.ke) and also sent to all prospective tenderes that have registered for the tender in the KRA supplier Portal.
5. Technical Qualification requirements; Refer to Section V of the bidding document.
6. **Completed Bids are to be saved as PDF documents marked with the relevant tender description and submitted to the appropriate KRA E-procurement Web Portal found on the KRA website so as to be received on or before 30TH May, 2019 at 11.00 a.m. Note: Submission should strictly be done to KRA E-Procurement Portal.**
7. **Bids will be opened electronically promptly after closing time and Bidders or their representatives are welcome to witness the opening at Times Tower Building.**
8. An original hard copy of the Bid Security (where applicable) of not less than the indicated amount or equivalent amount in a freely convertible currency must be dropped in the **Tender Box** located at **Times Tower Building, Ground Floor** any day before the tender closing date. The Bid Security (where applicable) must be in a sealed envelope bearing the Tender Description and addressed to the address indicated above.

**Deputy Commissioner-Supply Chain Management
Times Tower Building, 25th Floor,
P.O Box 48240– 00100 GPO,
Tel. +254 020 310900
Nairobi, Kenya.
website: www.kra.go.ke
Email :eprocurement@kra.go.ke**

Any canvassing or giving of false information will lead to automatic disqualification.

SECTION II – INFORMATION TO CONSULTANTS (ITC)

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SECTION II: - INSTRUCTIONS TO TENDERERS

2.1 Eligible Tenderers

- 2.1.1 This Invitation to tender is open to all eligible bidders as described in the instructions to Tenderers. Successful Tenderers shall provide the services for the stipulated duration from the date of commencement (hereinafter referred to as the term) specified in the tender documents.
- 2.1.2 The Consultants are invited to submit a Technical Proposal and a Financial Proposal, or a Technical Proposal only, as specified in the Appendix “ITC” for consulting services required for the assignment named in the said Appendix. ITC Technical Proposal only may be submitted in assignments where the Client intends to apply standard conditions of engagement and scales of fees for professional services which are regulated. In such a case the highest ranked firm of the technical proposal shall be invited to negotiate a contract on the basis of scale fees. The proposal will be the basis for Contract negotiations and ultimately for a signed Contract with the selected firm for a three year plan period.
- 2.1.3 The Consultants must familiarize themselves with local conditions and take them into account in preparing their proposals. To obtain first hand information on the assignment and on the local conditions, consultants are encouraged to liaise with the Client regarding any information that they may require before submitting a proposal and to attend a pre-proposal conference where applicable. Bidders should contact the officials named in the Appendix “ITC” to arrange for any visit or to obtain additional information on the pre-proposal conference. Bidders 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 the Client are not reimbursable as a direct cost of the

assignment; and (ii) the Client is not bound to accept any of the proposals submitted.

2.1.6 The procuring entity's employees, committee members, board members and their relative (spouse and children) are not eligible to participate.

2.1.7 The bid document shall be downloaded from the KRA website free of charge

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 post or by email to the Client's address indicated in the Appendix "ITC". The Client will respond by electronic mail to such requests and will send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all invited consultants who intend to submit proposals.

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

2.3 Preparation of Technical Proposal

2.3.1 The Consultant's proposal shall be written in the English Language

2.3.2 In preparing the Technical Proposal, consultants are expected to examine the documents constituting this RFP in detail. Material deficiencies in providing the information requested may result in rejection of a proposal.

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

- (i) A brief description of the firm's organization and an outline of recent experience on assignments of

a similar nature. For each assignment the outline should indicate *inter alia*, the profiles of the staff proposed, duration of the assignment, contract amount and firm's involvement.

- (ii) Any comments or suggestions on the Terms of Reference, a list of services and facilities to be provided by the Client.
 - (iii) A description of the methodology and work plan for performing the assignment.
 - (iv) The list of the proposed staff team by specialty, the tasks that would be assigned to each staff team member and their timing.
 - (v) CVs recently signed by the proposed professional staff and the authorized representative submitting the proposal. Key information should include number of years working for the firm/entity and degree of responsibility held in various assignments during the last ten (10) years.
 - (vi) Estimates of the total staff input (professional and support staff staff-time) needed to carry out the assignment supported by bar chart diagrams showing the time proposed for each professional staff team member.
 - (vii) A detailed description of the proposed methodology, staffing and monitoring of training, if Appendix "A" specifies training as a major component of the assignment.
 - (viii) 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 IV). It lists all costs associated with the assignment including;
- (a) remuneration for staff (in the field and at

headquarters), and; (b) reimbursable expenses such as subsistence per diem, housing), transportation (international and local, for mobilization and demobilization), services and equipment (vehicles, office equipment, furniture, and supplies), office rent, insurance, printing of documents, surveys, and training, if it is a major component of the assignment. If appropriate, these costs should be broken down by activity.

- 2.4.2 The Financial Proposal should clearly identify as a separate amount, the local taxes, duties, fees, levies and other charges imposed under the law on the consultants, the sub-consultants and their personnel, unless Appendix ITC specifies otherwise.
- 2.4.3 Consultants shall express the 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 335 days after the submission date. During this period, the consultant is expected to keep available, at his own cost, the professional staff proposed for the assignment. The Client will make his best effort to complete negotiations within this period. If the Client wishes to extend the validity period of the proposals, the consultants shall agree to the extension.

2.5 Submission, Receipt, and Opening of Proposals

- 2.5.1 The original proposal (Technical Proposal and, if required, Financial Proposal; see paragraph 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 and attach the pdf clearly naming the folder as Technical and Financial Proposal.
- 2.5.3 **The Technical and Financial Proposal shall be combined and submitted to the notes and attachment section on the KRA- e-procurement web portal.**

- 2.5.4 The completed Technical and Financial Proposals must be submitted online on or before the time and date stated in the Appendix “ITC”. Any proposal received after the closing time will not go through as the system will deactivate submission tab.
- 2.5.5 After the deadline for submission of proposals, the Technical Proposal shall be opened immediately by the opening committee. The Financial Proposal shall remain un-opened up to the time for public opening of financial proposals.

2.6 Proposal Evaluation General

- 2.6.1 From the time the bids are opened to the time the Contract is awarded, if any consultant wishes to contact the Client on any matter related to his proposal, he/she should do so in writing at the address indicated in the Appendix “ITC”. Any effort by the firm to influence the Client in the proposal evaluation, proposal comparison or Contract award decisions may result in the rejection of the consultant’s proposal.
- 2.6.2 Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation is concluded.

2.7 Evaluation of The Proposal

- 2.7.1 The evaluation committee appointed by the Client shall evaluate the proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria
- 2.8.3 The evaluation committee will determine whether the financial proposals are complete (i.e. Whether the consultant has costed all the items of the corresponding Technical Proposal and correct any computational errors. The cost of any unpriced items shall be assumed to be included in other costs in the proposal. In all cases, the total price of the Financial Proposal as submitted shall prevail.
- 2.8.4 While comparing proposal prices between local and foreign firms participating in a selection process in financial evaluation of Proposals, firms incorporated in Kenya where indigenous Kenyans own 51% or more of the share capital shall be allowed a 10% preferential bias in

proposal prices. However, there shall be no such preference in the technical evaluation of the tenders. Proof of local incorporation and citizenship shall be required before the provisions of this sub-clause are applied. Details of such proof shall be attached by the Consultant in the financial proposal.

- 2.8.5 Award shall be to the lowest evaluated:-
- 2.8.6 The tender evaluation committee shall evaluate the tender within 30 days from the date of opening the tender unless extended otherwise as provided in the Public Procurement and Asset Disposal Act 2015.
- 2.8.7 Contract price variations shall not be allowed for contracts not exceeding one year (12 months).
- 2.8.8 Where contract price variation is allowed, the variation shall not exceed 25% of the original contract price.
- 2.8.9 Price variation requests shall be processed by the procuring entity within 30 days of receiving the request.

2.9 Negotiations

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

- 2.9.4 Having selected the firm on the basis of, among other things, an evaluation of proposed key professional staff, the Client expects to negotiate a contract on the basis of the experts named in the proposal. Before contract negotiations, the Client will require assurances that the experts will be actually available. The Client will not consider substitutions during contract negotiations unless both parties agree that undue delay in the selection process makes such substitution unavoidable or that such changes are critical to meet the objectives of the assignment. If this is not the case and if it is established that key staff were offered in the proposal without confirming their availability, the firm may be disqualified.
- 2.9.5 The negotiations will conclude with a review of the draft form of the Contract. To complete negotiations the Client and the selected firm will initial the agreed Contract. If negotiations fail, the Client will invite the firm whose proposal received the second highest score to negotiate a contract.
- 2.9.6 The procuring entity shall appoint a team for the purpose of the negotiations.

2.10 Award of Contract

- 2.10.1 The Contract will be awarded following negotiations. After negotiations are completed, the Client will promptly notify other consultants on the shortlist that they were unsuccessful and return the Financial Proposals of those consultants who did not pass the technical evaluation.
- 2.10.2 The selected firm is expected to commence the assignment on the date and at the location specified in Appendix ITC.
- 2.10.3 The parties to the contract shall have it signed within 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.

Clause Reference

2.1	The name of the Client is: KENYA REVENUE AUTHORITY P.O. BOX 48240 – 00100, TEL: +254 20 310900 FAX: +254 20 215809 NAIROBI, KENYA.
2.1.1	The method of selection is: COMPETITIVE BIDDING
2.1.2	Technical and Financial Proposals are requested: YES <input checked="" type="checkbox"/> No <input type="checkbox"/> × Technical and Financial Proposal – The Technical and Financial Proposal attached in separate folders.
	The name, objectives, and description of the assignment are: REQUEST FOR PROPOSAL TO CONDUCT CUSTOMER PROFILING AND SEGMENTATION
2.1.3	There shall be a pre-bid conference on 16th May, 2019 and bidders can request for clarification or information via mail: eprocurement@kra.go.ke
2.1.4	The Client will provide the following inputs: <ul style="list-style-type: none"> ▪ All data statistics and information required for the assignment
2.1.5	These RFP documents can be downloaded from the Authority’s website at <i>at no cost</i> .
2.1.6	Taxes: The Tenderer will pay for all the local taxes, duties, fees, levies and other charges applicable in Kenya. The financial proposal should therefore include any taxes payable in Kenya.
2.1.9	Consultants shall express the price of their services in Kenya Shillings
2.2.1	The Proposal must remain valid for 335 DAYS after the submission date.

2.2.4	<p>This tender is based on a two envelope system. The bidder shall submit Technical and Financial proposals electronically via the supplier portal in the respective folders within the tendering period.</p> <p>The bids should be clearly marked as Technical and Financial Proposals for the below lots.</p> <p>REQUEST FOR PROPOSAL TO CONDUCT CUSTOMER PROFILING AND SEGMENTATION</p>
2.3.1	<p>The address to send information to the Client is:</p> <p style="text-align: center;">Deputy Commissioner-Supply Chain Management Times Tower Building, 25th Floor, P.O Box 48240– 00100 GPO, Tel. +254 020 310900 Nairobi, Kenya. website: www.kra.go.ke Email :eprocurement@kra.go.ke.</p>
2.3.2	<p>Proposals that meet the technical cut off score shall proceed for financial store</p>
2.3.3	<p>The bidder shall be evaluated against the criteria given in 2.4.1 to establish the bidder’s capacity and experience. The technical evaluation cut -off score for the proposal shall be 52.5 percent</p>
2.3.4	<p>Award shall be to the lowest evaluated bidder.</p>
2.3.5	<p>The assignment is expected to commence immediately from the date of award.</p>
2..3.6	<p>The proposal shall contain combined Technical and Financial proposal</p>

2.4.1	The minimum technical score required to pass is: 70 distributed as follows; SELECTION OF CONSULTANTS TO CONDUCT; CUSTOMER PROFILING AND SEGMENTATION FOR KENYA REVENUE AUTHORITY			
Criteria	Distribution	Scoring criteria	Score	Pass Mark
Specific experience of the firm/consultant related to the assignment (70 marks)				
The consulting firm must have experience in market segmentation consultancy (7 marks)		1 - 2 years 2 – 5 years > 5 years	3 marks 5 marks 7 marks	3 marks
Provide evidence of having undertaken a market segmentation study for at least 3 firms (local and international) preferably for financial institutions (25 marks)	Brief explanation of the work undertaken and cite references with their contact details, giving details of the customer base for the cited references.	-Name of client(1 mark each) -Proof of contracts e.g. L.S.Os, contracts, reference letters(3 marks each) -Contact persons (1 mark) -address of client (1 mark)	3 marks 9 marks 3 marks 3 marks	2 marks 6 marks 2 marks 2 marks
		Customer base of over 10 M Customer base of 5 – 10 M Customer base less than 5M	7 marks 5 marks 3 marks	3 marks
CV of the proposed staff Relevant technical experience	Lead Consultant	-Over 5 years experience -3-5 years experience. -1-2 years experience.	5 marks 3 marks 1 mark	2.5marks

	<p><i>(Provide copies of CVs and Certificates for all proposed staff for this services to qualify for full marks)</i></p> <p>(15 marks)</p>	Associate Consultants (5 Consultants)	<ul style="list-style-type: none"> -Over 5 years experience -3-5 years' experience -1-2years experience 	<ul style="list-style-type: none"> 2 marks - each 1 marks- each 0.5marks -each 	5 marks
	<p>Requisite qualifications and expertise</p> <p><i>(Provide copies of CVs and Certificates for all proposed staff for this services to qualify for full marks)</i></p> <p>(23 marks)</p>	Lead Consultant	<ul style="list-style-type: none"> -Behavioural analysis. -Channel management -Communication and User research -Data Analytics -Tax audits 	<ul style="list-style-type: none"> 3 marks 3 marks 3 marks 2 marks 2 marks 	6 marks (at least two fields)
		Associate Consultants (5 consultants)	<ul style="list-style-type: none"> -Behavioral analysis. -Channel management -Communication and User research -Data Analytics -Tax audits 	<ul style="list-style-type: none"> 2 marks 2 marks 2 marks 2 marks 2 marks 	6 marks
	Technical Proposal (30 marks)				
	<p>Adequacy of the proposed methodology and work plan in responding to the terms of reference</p> <p>(30 marks)</p>	<p>Conduct a situational analysis of the current customer segmentation. Consultants are expected to indicate the following</p>	<ul style="list-style-type: none"> -The research methodology that will be employed in collecting information and assessing the needs -Identify stakeholders relevant to implementation of the customer segmentation. 	<ul style="list-style-type: none"> 3marks 2 marks 	<ul style="list-style-type: none"> 1 mark 1 mark

			This includes methods in engaging them to gain insights on their needs and expectations		
		Conduct a customer profiling and segmentation study	<ul style="list-style-type: none"> -Outline methodology to be used to define and segment KRA customers -State the enablers to ensure effective customer segmentation -Provide the Authority with viable recommendations that will guide the implementation of the customer segmentation. -Outline the approach to be used to evaluate the impact of the segmentation - Outline methodology to be used to develop a customer maturity model 	<p>5marks</p> <p>2 marks</p> <p>2 marks</p> <p>3 marks</p> <p>3 marks</p>	<p>3 marks</p> <p>1 mark</p> <p>1 mark</p> <p>1 mark</p> <p>1 mark</p>
		Develop a Business Case and Cost Estimates/Budget options for the	-Description of key components of the Business Case	2 marks	1 mark

		implementation the segmentation based on the environmental analysis.	-Appraisal methods that will be used to define project cost estimates	2 marks	1 mark
			-Factors to be considered in generating cost estimates for the implementation of the segmentation	2 marks	1 mark
			-Implementation Plan: Consultants are required to provide a detailed implementation plan indicating activities to be undertaken, technologies required and the parties responsible	4 marks	3 marks
	TOTAL SCORE			100 marks	52.50 marks

SECTION III: TECHNICAL PROPOSAL

Notes on the preparation of the Technical Proposals

- 3.1** Preparing the technical proposals the consultant is expected to examine all terms and information included in the RFP. Failure to provide all requested information shall be at the consultants own risk and may result in rejection of the consultant's proposal.
- 3.2** The technical proposal shall provide all required information and any necessary additional information and shall be prepared using the standard forms provided in this Section.
- 3.3** The Technical proposal **shall not include any financial information unless it is allowed in the Appendix to information to the consultants or the Special Conditions of contract.**
- 3.4** The technical proposal shall contain the following: -
- i. Certificate of incorporation (Mandatory).
 - ii. Reference Letters from the Bank (Mandatory).
 - iii. Valid Tax Compliance Certificate (Mandatory).
 - iv. Duly Completed, Stamped and Signed Confidential Business Questionnaire (Mandatory).
 - v. Power of Attorney- Sole proprietor exempted where applicable (Mandatory).
 - vi. Capability statement
 - vii. Submission letter
 - viii. Particulars of the consultant firm or consultant including Curriculum vitae (CV)
 - ix. Comments and suggestions of the consultant on the terms of reference, personnel, facility and other requirements to be provided by the procuring entity.
 - x. Description of the methodology and work plan/ execution plan for performing the assignment
 - xi. Any proposed staff to assist in the assignment
 - xii. Consultancy services activities times' schedule.
 - xiii. Technical & Financial Proposal
 - xiv. Reference for previous similar works- Written and certified References from at least three (3) existing current clients + Telephone & email addresses. The Authority may verify with the reference sites.

EVALUATION CRITERIA

The evaluation of the proposal will be based on the following criteria:

A. TENDER RESPONSIVENESS (MANDATORY)

The submission of the following items will be required in the determination of the Completeness of the Bid.

S/N	ITEM DESCRIPTION	
1.	Copy of valid Tax Compliance Certificate	MANDATORY
2.	Certificate of Registration or Incorporation	
3.	Power of Attorney (Sole Proprietors Exempted)	
5.	Letter from the bank indicating that the firm is currently operating an account (Valid for the last 6 months)	
6.	Dully filled, signed and stamped Confidential Business Questionnaire.	
7	Duly filled signed and stamped financial proposal submission form	

B. TECHNICAL EVALUATION CRITERIA

Technical evaluation will be in accordance with Appendix to Information to Consultants (ITC) Section 2.3.3.

C. OVERALL TENDER EVALUATION CRITERIA

The tender evaluation criteria is weighted as follows; -

Criteria	Maximum Score	Cut off score
Tender Responsiveness	Mandatory	Mandatory
Weighted Technical Evaluation	100	52.5
Financial Evaluation	Award shall be to the lowest evaluated bidder	

SECTION III - TECHNICAL PROPOSAL

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SECTION IV
TERMS OF REFERENCE FOR REQUEST FOR PROPOSAL TO CONDUCT CUSTOMER
PROFILING AND SEGMENTATION

1. Background

The Organization

Kenya Revenue Authority (KRA) was established in 1995 by an Act of Parliament, Chapter 469 of the Laws of Kenya. The Authority is the principal government revenue collection agency and accounts for over 95% of Government Ordinary Revenues.

The authority's strategic direction is guided by 3-year corporate plans. Strategic outcomes KRA want to achieve in the 7th Corporate Plan include:

- Enhanced revenue through improved compliance
- Public confidence in the integrity, professional competence and service orientation of our staff
- Improved business climate with respect to taxation and trading across borders
- Data and intelligence driven organization

Guided by the above thrusts, the Authority set out to define a differentiated approach to engage customers that caters for both the needs of the customer and the Authority and achieves compliance at the lowest cost. Knowing the KRA customer (**KKYC**) is a prerequisite for the success of identified initiatives. Essentially, the Authority needs to understand its customers' behaviour, preferences and expectations better than ever before.

Current Status

Traditionally, KRA customers have been segmented based on their revenue streams i.e. Large, medium and small taxpayers. Due to their dynamic needs and expectations, customers increasingly expect personalized services pegged on various attributes. These segments, therefore, do not fully support the time-cost value of doing business since individuals and businesses within these segments have a complex set of motivations to comply affected by economic status, societal norms, actions of KRA and the legal framework.

Despite numerous efforts made to offer tailor made services to these broad segments, the Authority still faces the challenge of interacting with customers in a timely and relevant manner i.e. giving the right services to the right customers at the right time. This in turn has a direct impact on compliance levels and operations costs. Moreover, customer feedback highlights that increasing reach to the entire population is a necessary action for Kenya Revenue Authority. Customer needs remain diverse and this creates the need to tailor make customer engagements.

The Project (Brief)

Successful tax administrations have realised that the '*One size does not fit all*' approach to planning and delivery has a higher potential of achieving desired results - voluntary compliance. These tax administrations recognize that voluntary compliance will be optimized through an appropriate balance of taxpayer education and assistance, simple laws, processes and procedures.

Bearing in mind the heterogeneity of the taxpayer population, KRA seeks to conduct a customer profiling & segmentation to determine an optimal combination of customer attributes and channels for effective communication, tax education, tax advocacy and service delivery. The study aims to

- Enhance the effectiveness of the KRA service offering: By understanding more about our customers, KRA will be able to optimally allocate resources based on risk to revenue.
- Create sustainable customer relationships: By offering the right services at the right time and location, KRA customers are more likely to voluntarily comply.
- Shape customer engagement strategies/Communication: Customer profiling and segmentation will help better match service, communication and educational programs to specific types of taxpayers. This will significantly improve operational costs.
- Improve your understanding of current and potential customer and tailor products, services, and customer experiences.
- Identify and estimate market opportunities.

2. Scope of Services

The scope of the study will cover;

a) Current State Assessment (Situational Analysis)

- Assess the existing customer segmentation model and determine if it is fit for purpose. This assessment should clearly articulate the merits and demerits of the current model.
- Conduct field work to assess potential/Un-acquired customers articulating their location, characteristics, reasons why they do not comply.

b) Benchmark leading practices in customer profiling and segmentation as well as factors to inform its implementation.

c) Conduct a customer profiling and segmentation study (field work and desk research) for both Customs and Domestic Tax customers in the context of Kenya Revenue Authority. The study should

- Define the KRA customer: This should take into account netted and potential customers.
- Define the criteria to profile the KRA customer – The study should outline the various variables that can be used to profile customers and recommend the best suited combination of attributes in the context of KRA. Clearly articulate the merits and demerits of the recommended model.
- Based on the above, define KRA customer segments clearly articulating
 - ✓ Characteristics of the personas in the defined segments.
 - ✓ Priorities of the segments (what motivates them to comply?).
 - ✓ Factors that influence their behaviour.
 - ✓ Expectations of these customer segments from KRA.
 - ✓ Risks attributable to each segment.
 - ✓ Preferred channel of interaction for the various services offered by KRA including (but not limited to) Tax education, service delivery, payments, communication

- Implementation methodology - Design approaches to be used in segmenting existing and new customers. It should also outline
 - ✓ Stages at which the segmentation will be applied.
 - ✓ Segments KRA should place more emphasis on in terms of resource allocation.
 - ✓ Approaches to be used when reclassification of already segmented customers is required.
 - ✓ Technologies required to implement the segmentation.
- Develop a customer maturity model that will transition KRA customer through the various stages of growth.
- Design customised strategies to be used in managing and engaging the defined customer segments.
 - Define each segments service delivery, tax education & communication preference.
- Critical success factors - State the enablers to ensure continuous successful segmentation.
- Measure of success – Recommend approach to be used to evaluate the impact of the segmentation.

3. Deliverables

a. Situational Analysis. This should highlight

- The status quo of KRA customer segmentation model.
- The inclusiveness of the current segmentation model– Does it effectively cater for the Kenyan population?
- Internal and external factors affecting the model.
- Key constraints and gaps noted.
- Assessment of potential/Un-acquired customers - characteristics, behavior, underlying causes of noncompliant behavior, interventions to mitigate noncompliance.

b. Benchmarking insights. This should include current trends in customer profiling and segmentation.

c. Customer profiling and segmentation study report.

This should address the challenges identified in the situational analysis and should also include

- Customer Segmentation: Segment customers based on (but not limited to)
 - ✓ Group characteristics - Their demographics, tax needs, preferences, behaviours and attitudes putting into consideration recommendations above
 - For Non-individuals – segment customers based on the firmographics (size, sector, location, number of employees, organisational structure, use of third parties accountants and auditors), market value, and average opportunity
 - ✓ Engagement model - Their preferred channels of interaction for the various services offered by KRA including (but not limited to) Tax education, service delivery, payments, communication
- Segmentation persona snapshots.
- Customer maturity model
- Best management and engagement practices of the defined segments.

Responsibilities of the Consultant

- Familiarize themselves with the KRA 7th Corporate Plan and align the assignment towards the outlined strategic objectives.
- Provide a dedicated, competent and reliable team for the assignment and consult KRA of any changes in staff in good time.
- Avail the lead and associate consultants on-site as and when required.
- Enter into a Non-Disclosure Agreement with the Authority
- Identify and outline performance/key success metrics for the assignment.
- Provide information about referees, experience, past assignments and capacity on a timely basis.
- Adhere to the regulations and policies of the Authority.
- Conducting on-the-ground research on market segmentation to get insights into market trends, customer preferences and potential opportunities.

Responsibilities of KRA

- Orientation of the Consultant after tender award.
- Dedicated team to work with the consultant on the assignment.
- Availability of office space and other resources for the consultant and the project team as and when required.
- Timely provision of information and quick turn-around time on communication.
- Prompt interventions in the event of challenges encountered during the project implementation.

4. Reporting Requirements and Timelines

The Consultants shall commence provision of services within 15 calendar days of the effective date of the contract. The effective date shall be the date of signature of the consultancy contract agreement.

The duration of Consultancy services will be 90 days from date of commencement. In the course of conducting the study, the Consultants shall prepare and submit the following reports (in hard and soft copy) as per the stipulated schedule.

Output	Content (but not limited to)	Date of submission (w.e.f commencement date)
Inception Report	<ul style="list-style-type: none">• Detailed methodology• Detailed work plan of tasks/ approach – including activity schedules• Expertise required• Items to be analyzed and corresponding criteria	2 weeks

Draft Report	<ul style="list-style-type: none"> • Gap Analysis • First iteration of future customer segments • Economic, Financial and Technical evaluation • Review of previous studies. • Details of data collected and analysis undertaken 	6 weeks
Final Report	<ul style="list-style-type: none"> • Incorporate KRA feedback based on draft report. • Submit final report with business case for implementation. • Make a formal presentation to the management of the Authority. 	12 weeks

1. TECHNICAL PROPOSAL SUBMISSION FORM

[_____ Date]

To: _____ [Name and address of Client]

Ladies/Gentlemen:

We, the undersigned, offer to provide the consulting services for

_____ [Title of consulting services] in
accordance with your Request for Proposal dated _____
[Date] and our Proposal.

We are hereby submitting our Proposal, which includes this Technical Proposal
and a Financial Proposal submitted separately to the respective folders.

We understand you are not bound to accept any Proposal that you receive.

We remain,

Yours sincerely,

_____ [Authorized Signature]:

_____ [Name and Title of Signatory]

:

_____ [Name of Firm]

:

_____ [Address:]

2. FIRM'S REFERENCES

Relevant Services carried out in the Five (5) 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 in Kenya shillings.
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 (Title of Positions Recruited) Provided:	

Firm's Name: _____

Name and Title of Signatory; _____

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

Responses/Comments should be given in the same order as contained under Section V (Terms of Reference), using the same sub-headings and numbering:

Background Information

Service Requirements

Proposed Methodology and Tools

Mobilization Period

Reporting

Duration of the Project

Project Plan

Potential Issues/Risks

Terms of Payment

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

5. TEAM COMPOSITION AND TASK ASSIGNMENTS

1. Technical/Managerial Staff

Name	Position	Task

2. Support Staff

Name	Position	Task

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

Proposed Position:

Name of Firm:

Name of Staff:

Profession:

Date of Birth:

—

Years with Firm: _____ Nationality:

Membership in Professional Societies:

Detailed Tasks Assigned:

Key Qualifications:

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

Education:

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

Employment Record:

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

Certification:

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

_____ Date:

[Signature of staff member]

_____ Date; _____
[Signature of authorized representative of the firm]

Full name of staff member:

Full name of authorized representative:

7. TIME SCHEDULE FOR PROFESSIONAL PERSONNEL

Months (in the Form of a Bar Chart)

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

Reports Due: _____

Activities Duration: _____

Signature: _____
(Authorized representative)

Full Name: _____

Title: _____

Address: _____

8. ACTIVITY (WORK) SCHEDULE

(a). Field Investigation and Study Items

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

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

(b). Completion and Submission of Reports

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

SECTION V: - FINANCIAL PROPOSAL

Notes on preparation of Financial Proposal

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 so as to be clearly understood by the procuring entity.

The financial proposal shall be in Kenya Shillings and shall take into account the tax liability and cost of insurances specified in the request for proposal.

The financial proposal shall contain the following.

- i. Submission letter indicating total fees
- ii. Summary of costs
- iii. Breakdown of fees per activity
- iv. Breakdown of reimbursable costs/expenses per activity
- v. Miscellaneous expenses
- vi. Because of the need to consult on some particular services from time to time, the consultants are required to indicate the individual hourly, daily, weekly or monthly rate for use when continuous engagement is not desirable.

The financial proposal should be prepared using the Standard forms provided in this part.

FINANCIAL PROPOSAL STANDARD FORMS

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4. Breakdown of Remuneration per Activity	38
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1. FINANCIAL PROPOSAL SUBMISSION FORM

_____ [Date]

To: _____

[Name and address of Client]

Ladies/Gentlemen:

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

We remain,

Yours sincerely,

_____ *[Authorized Signature]*

:

_____ *[Name and Title of Signatory]:*

_____ *[Name of Firm]*

_____ *[Address]*

2. SUMMARY OF COSTS

Costs	Currency in Kshs.	Amount(s)
Subtotal		
Taxes		
Total Amount of Financial Proposal		<hr/> <hr/>
<p>**Kindly give a breakdown of the line items adding up to the total amount of the Financial Proposal.</p>		

3. BREAKDOWN OF PRICE PER ACTIVITY

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

4. BREAKDOWN OF REMUNERATION PER ACTIVITY

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

5. REIMBURSABLES PER ACTIVITY

Activity No: _____

Name: _____

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

6. MISCELLANEOUS EXPENSES

Activity No. _____ Activity Name: _____

No.	Description	Unit	Quantity	Unit Price (Kshs.)	Total Amount (Kshs.)
1.	Communication costs_____				

	(telephone, telegram, telex)				
2.	Drafting, reproduction of reports				
3.	Equipment: computers etc.				
4.	Software				
	Grand Total				_____



SECTION VI: STANDARD FORMS

CONFIDENTIAL BUSINESS QUESTIONNAIRE FORM

You are requested to give the particulars indicated in Part 1; either Part 2(a), 2(b) or 2 (c) whichever applied to your type of business; and Part 3.

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

Part 1 – General																															
1.1	Business Name																														
1.2	Location of Business Premises.																														
1.3	Plot No..... Street/Road																														
	Postal Address																														
	Tel No. Fax E mail																														
1.4	Nature of Business,																														
1.5	Registration Certificate No.																														
1.6	Maximum Value of Business which you can handle at any one time – USD.....																														
1.7	Name of your Bankers Branch																														
Part 2 (a) – Sole Proprietor																															
2a.1	Your Name in Full Age																														
2a.2	Nationality Country of Origin																														
	Citizenship Details																														
Part 2 (b) Partnership																															
2b.1	Given details of Partners as follows:																														
2b.2	<table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;"></th> <th style="width: 30%;"><u>Name</u></th> <th style="width: 30%;"><u>Nationality</u></th> <th style="width: 20%;"><u>Citizenship Details</u></th> <th style="width: 10%;"><u>Shares</u></th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>.....</td> <td>.....</td> <td>.....</td> <td>.....</td> </tr> <tr> <td>2.</td> <td>.....</td> <td>.....</td> <td>.....</td> <td>.....</td> </tr> <tr> <td>3.</td> <td>.....</td> <td>.....</td> <td>.....</td> <td>.....</td> </tr> <tr> <td>4.</td> <td>.....</td> <td>.....</td> <td>.....</td> <td>.....</td> </tr> </tbody> </table>		<u>Name</u>	<u>Nationality</u>	<u>Citizenship Details</u>	<u>Shares</u>	1.	2.	3.	4.					
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1.																											
2.																											
3.																											
4.																											
Part 2 (c) – Registered Company																															
2c.1	Private or Public																														
2c.2	State the Nominal and Issued Capital of Company-																														
	Nominal USD																														
	Issued USD																														
2c.3	Given details of all Directors as follows																														
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1.																											
2.																											
3.																											
4.																											
5.																											

Part 3 – Eligibility Status

3.1 Are you related to an Employee, Committee Member or Board Member of Kenya Revenue Authority? Yes _____
No _____

3.2 If answer in '3.1' is **YES** give the relationship.

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

3.3 Does an Employee, Committee Member, Board Member of Kenya Revenue Authority sit in the Board of Directors or Management of your Organization, Subsidiaries or Joint Ventures? Yes _____ No _____

3.4 If answer in '3.3' above is **YES** give details.

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

3.5 Has your Organization, Subsidiary Joint Venture or Sub-contractor been involved in the past directly or indirectly with a firm or any of its affiliates that have been engaged by Kenya Revenue Authority to provide consulting services for preparation of design, specifications and other documents to be used for procurement of the goods under this invitation? Yes _____ No _____

3.6 If answer in '3.5' above is **YES** give details.

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

3.7 Are you under a declaration of ineligibility for corrupt and fraudulent practices? YES _____ No _____

3.8 If answer in '3.7' above is **YES** give details:

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

3.9 Have you offered or given anything of value to influence the procurement process? Yes _____ No _____

3.10 If answer in '3.9' above is **YES** give details

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

I DECLARE that the information given on this form is correct to the best of my knowledge and belief.

Date Signature of Candidate

If a Kenya Citizen, indicate under "Citizenship Details" whether by Birth, Naturalization or registration.

REPUBLIC OF KENYA

STANDARD FORM OF CONTRACT

FOR

CONSULTING SERVICES

**Large Assignments
(Lump- Sum payment)**

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Special Notes

- 1 The Lump-Sum price is arrived at on the basis of inputs – including rates – provided by the Consultant. The Client agrees to pay the Consultant according to a schedule of payments linked to the delivery of certain outputs, usually reports. Lump-sum contracts have the simplicity of administration, the Client having only to be satisfied with the outputs without monitoring the staff inputs and should be used for large Assignments in for example Design; Engineering; Supervision and Management Services; Master plans; Economic and Feasibility studies; and Surveys.

2. The Contract includes four parts: Form of Contract, the General Conditions of Contract, the Special Conditions of Contract and the Appendices. The Client using this standard contract should not alter the General Conditions. Any adjustment to meet any specific project features should be made only in the Special Conditions.

CONTRACT FOR CONSULTANT'S SERVICES

Large Assignments (Lump-Sum Payments)

Between

[Name of the Client]

AND

[Name of the Consultant]

Dated: _____ *[date]*

FORM OF CONTRACT

Large Assignments (Lump-Sum Payments)

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 General Conditions of Contract;
 - (b) The Special Conditions of Contract;
 - (c) The following Appendices: [**Note:** *If any of these Appendices are not used, they should be deleted from the list*]
 - Appendix A: Description of the Services
 - Appendix B: Reporting Requirements
 - Appendix C: Key Personnel and Sub consultants
 - Appendix D: Breakdown of Contract Price in Foreign Currency
 - Appendix E: Breakdown of Contract Price in Local Currency
 - Appendix F: Services and Facilities Provided by the Client
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 authorized representative]

[title] _____

[signature] _____

[date] _____

For and on behalf of _____ *[name of consultant]*

[full name of Consultant's authorized representative] _____

[title] _____

[signature] _____

[date] _____

II. GENERAL CONDITIONS OF CONTRACT

GENERAL PROVISIONS

1.1 Definitions Unless the context otherwise requires, the following terms whenever used in this Contract shall have the following meanings:

- (a) “Applicable Law” means the laws and any other instruments having the force of law in the Republic of Kenya as they may be issued and in force from time to time;
- (b) “Contract” means the Contract signed by the Parties, to which these General Conditions of Contract (GC) are attached together with all the documents listed in Clause 1 of such signed Contract;
- (c) “Contract Price” means the price to be paid for the performance of the Services in accordance with Clause 6 here below;
- (d) “Foreign Currency” means any currency other than the Kenya Shilling;
- (e) “GC” means these General Conditions of Contract;
- (f) “Government” means the Government of the Republic of Kenya;
- (g) “Local Currency” means the Kenya Shilling;
- (h) “Member”, in case the Consultant consists of a joint venture of more than one entity, means any of these entities; “Members” means all these entities, and “Member in Charge” means the entity specified in the SC to act on their behalf in exercising all the Consultant’s rights and obligations towards the Client under this Contract;
- (i) “Party” means the Client or the Consultant, as the case may be and “Parties” means both of them;
- (j) “Personnel” means persons hired by the Consultant or by any Sub-consultant as

employees and assigned to the performance of the Services or any part thereof;

(k) “SC” means the Special Conditions of Contract by which the GC may be amended or supplemented;

(l) “Services” means the work to be performed by the Consultant pursuant to this Contract, as described in Appendix A; and

(m) “Sub consultant” means any entity to which the Consultant subcontracts any part of the Services in accordance with the provisions of Clauses 3 and 4.

- 1.2 Law Governing the Contract** This Contract, its meaning and interpretation and the relationship between the Parties shall be governed by the Laws of Kenya.
- 1.3 Language** This Contract has been executed in English language which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.
- 1.4 Notices** Any notice, request, or consent made pursuant to this Contract shall be in writing and shall be deemed to have been made when delivered in person to an authorized representative of the Party to whom the communication is addressed or when sent by registered mail, telex, telegram or facsimile to such Party at the address specified in the SC.
- 1.5 Location** The Services shall be performed at such locations as are specified in Appendix A and, where the location of a particular task is not so specified, at such locations, whether in the Republic of Kenya or elsewhere, as the Client may approve.
- 1.6 Authorized Representatives** Any action required or permitted to be taken and any document required or permitted to be executed under this Contract by the Client or the Consultant may be taken or executed by the officials specified in the SC.
- 1.7 Taxes and Duties** The Consultant, Sub consultant[s] and their personnel shall pay such taxes, duties, fees and other impositions as may be levied under the Laws of Kenya, the amount of which is deemed to have been included in the Contract Price.

2 COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

- 2.1 Effectiveness of Contract** This Contract shall come into effect on the date the Contract is signed by both Parties or such other later date as may be stated in the SC.
- 2.2 Commencement of Services** The Consultant shall begin carrying out the Services thirty (30) days after the date the Contract becomes effective or at such other date as may be specified in the SC.
- 2.3 Expiration of Contract** Unless terminated earlier pursuant to Clause 2.6, this Contract shall terminate at the end of such time period, after the Effective Date, as is specified in the SC.
- 2.4 Modification** Modification of the terms and Conditions of this Contract, including any modification of the scope of the Services or the Contract Price, may only be made by written agreement between the Parties.
- 2.5 Force Majeure**
- 2.5.1 Definition** For the purposes of this Contract, “Force Majeure” means an event which is beyond the reasonable control of a Party and which makes a Party’s performance of its obligations under the Contract impossible or so impractical as to be considered impossible under the circumstances.
- 2.5.2 No Breach of Contract** The failure of a Party to fulfill any of its obligations under the Contract shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract, and (b) has informed the other Party as soon as possible about the occurrence of such an event.
- 2.5.3 Extension Of Time** Any period within which a Party shall, pursuant to this Contract complete any action or task shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

2.5.4 Payments During the period of his inability to perform the Services as a result of an event of Force Majeure, the Consultant shall be entitled to continue to be paid under the terms of this Contract, as well as to be reimbursed for additional costs reasonably and necessarily incurred by him during such period for the purposes of the Services and in reactivating the Service after the end of such period.

2.6 Termination:

2.6.1 By the Client

The Client may terminate this Contract by not less than thirty (30) days' written notice of termination to the Consultant, to be given after the occurrence of any of the events specified in this Clause;

- (a) if the Consultant does not remedy a failure in the performance of his obligations under the Contract within thirty (30) days after being notified or within any further period as the Client may have subsequently approved in writing;
- (b) if the Consultant becomes insolvent or bankrupt;
- (c) if, as a result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (d) If the Consultant, in the judgment of the Client, has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.

For the purpose of this clause; "corrupt practice" means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the selection process or in Contract execution.

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

- (e) If the Client in his sole discretion decides to terminate this Contract.

2.6.2 By the Consultant

The Consultant may terminate this Contract by not less than thirty (30) days' written notice to the Client, such notice to be given after the occurrence of any of the following events;

- (a) if the Client fails to pay any monies due to the Consultant pursuant to this Contract and not subject to dispute pursuant to Clause 7 within sixty (60) days after receiving written notice from the Consultant that such payment is overdue; or
- (b) if, as a result of Force Majeure, the Consultant is unable to perform a material portion of the Services for a period of not less than sixty (60) days.

2.6.3 Payment Upon Termination

Upon termination of this Contract pursuant to Clauses 2.6.1 or 2.6.2, the Client shall make the following payments to the Consultant:

- (a) remuneration pursuant to Clause 6 for Services satisfactorily performed prior to the effective date of termination;
- (b) Except in the case of termination pursuant to paragraphs (a) and (b) of Clause 2.6.1, reimbursement of any reasonable costs incident to the prompt and orderly termination of the Contract, including the cost of the return travel of the Personnel and their eligible dependents.

3 OBLIGATIONS OF THE CONSULTANT

3.1 General

The Consultant shall perform the Services and carry out his obligations with all due diligence, efficiency and economy in accordance with generally accepted professional techniques and practices and shall observe sound management practices, and employ appropriate advanced technology and safe methods. The Consultant shall always act, in respect of any matter relating to this Contract or to the Services, as faithful adviser to the Client and shall at all times support and safeguard the Client's legitimate interests in any dealing with Sub consultants or third parties.

- 3.2 Conflict of Interests**
- 3.2.1 Consultant Not to Benefit from Commissions, Discounts, Etc.**
- (i) The remuneration of the Consultant pursuant to Clause 6 shall constitute the Consultant's sole remuneration in connection with this Contract or the Services and the Consultant shall not accept for his own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of his obligations under the Contract and the Consultant shall use his best efforts to ensure that his personnel, any sub consultant[s] and agents of either of them similarly shall not receive any such additional remuneration.
 - (ii) For a period of two years after the expiration of this Contract, the Consultant shall not engage and shall cause his personnel as well as his sub consultant[s] and his/their personnel not to engage in the activity of a purchaser (directly or indirectly) of the assets on which he advised the Client on this Contract nor shall he engage in the activity of an adviser (directly or indirectly) of potential purchasers of such assets.
 - (iii) Where the Consultant as part of the Services has the responsibility of advising the Client on the procurement of goods, works or services, the Consultant will comply with any applicable procurement guidelines and shall at all times exercise such responsibility in the best interest of the Client. Any discounts or commissions obtained by the Consultant in the exercise of such procurement shall be for the account of the Client.
- 3.2.2 Consultant and Affiliates Not to be Otherwise Interested in Project**
- The Consultant agrees that, during the term of this Contract and after its termination, the Consultant and his affiliates, as well as any Sub-consultant and any of his affiliates, 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.
- 3.3 Confidentiality**
- The Consultant, his sub-consultant[s] and the personnel of either of them shall not, either during the term of this Contract or within two (2) years after the

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

- 3.4 Insurance to be Taken Out by the Consultant** The Consultant (a) shall take out and maintain and shall cause any sub-consultant[s] to take out and maintain, at his (or the sub-consultants', as the case may be) own cost but on terms and conditions approved by the Client, insurance against the risks and for the coverage, as shall be specified in the SC; and (b) at the Client's request, shall provide evidence to the Client showing that such insurance has been taken out and maintained and that the current premiums have been paid.
- 3.5 Consultant's Actions Requiring Client's Prior Approval** The Consultant shall obtain the Client's prior approval in writing before taking any of the following actions;
- (a) entering into a subcontract for the performance of any part of the Services,
 - (b) Appointing such members of the personnel not listed by name in Appendix C ("Key Personnel and Sub-consultants").
- 3.6 Reporting Obligations** The Consultants shall submit to the Client the reports and documents specified in Appendix A in the form, in the numbers, and within the periods set forth in the said Appendix.
- 3.7 Documents prepared by the Consultant to Be the Property of the Client** All plans, drawings, specifications, designs, reports and other documents and software submitted by the Consultant in accordance with Clause 3.6 shall become and remain the property of the Client and the Consultant shall, not later than upon termination or expiration of this Contract, deliver all such documents and software to the Client together with a detailed inventory thereof. The Consultant may retain a copy of such documents and software. Neither Party shall use these documents for purposes unrelated to this Contract without the prior approval of the other Party.

4

CONSULTANT'S PERSONNEL

- 4.1 Description of Personnel** The titles, agreed job descriptions, minimum qualifications and estimated periods of engagement in the carrying out of the Services of the Consultant's Key Personnel are described in Appendix C. The Key

Personnel and Sub consultants listed by title as well as by name in Appendix C are hereby approved by the Client.

4.2 Removal and/or Replacement Of Personnel

- (a) Except as the Client may otherwise agree, no changes shall be made in the Key Personnel. If for any reason beyond the reasonable control of the Consultant, it becomes necessary to replace any of the Key **Personnel**, the Consultant shall provide as a replacement a person of equivalent or better qualifications.
 - (b) If the Client finds that any of the Personnel have (i) committed serious misconduct or have been charged with having committed a criminal action, or (ii) the Client has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultant shall, at the Client's written request specifying the grounds thereof, provide as a replacement a person with qualifications and experience acceptable to the Client.
- (a) The Consultant shall have no claim for additional costs arising out of or incidental to any removal and/or replacement of Personnel.

5

OBLIGATIONS OF THE CLIENT

5.1 Assistance and Exemptions

The Client shall use his best efforts to ensure that he provides the Consultant such assistance and exemptions as may be necessary for due performance of this Contract.

5.2 Change in the Applicable Law

If after the date of this Contract, there is any change in the Laws of Kenya with respect to taxes and duties which increases or decreases the cost of the Services rendered by the Consultant, then the remuneration and reimbursable expenses otherwise payable to the Consultant under this Contract shall be increased or decreased accordingly by agreement between the Parties and corresponding adjustments shall be made to the amounts referred to in Clause 6.2 (a) or (b), as the case may be.

5.3 Services and Facilities

The Client shall make available to the Consultant the Services and Facilities listed under Appendix F.

6 PAYMENTS TO THE CONSULTANT

- 6.1 Lump-Sum Remuneration** The Consultant's total remuneration shall not exceed the Contract Price and shall be a fixed lump-sum including all staff costs, Sub consultants' costs, printing, communications, travel, accommodation and the like and all other costs incurred by the Consultant in carrying out the Services described in Appendix A. Except as provided in Clause 5.2, the Contract Price may only be increased above the amounts stated in Clause 6.2 if the Parties have agreed to additional payments in accordance with Clause 2.4.
- 6.2 Contract Price**
- (a) The price payable in foreign currency is set forth in the SC.
 - (b) The price payable in local currency is set forth in the SC.
- 6.3 Payment for Additional Services** For the purposes of determining the remuneration due for additional services as may be agreed under Clause 2.4, a breakdown of the lump-sum price is provided in Appendices D and E.
- 6.4 Terms and Conditions of Payment** Payments will be made to the account of the schedule stated in the SC. Unless otherwise stated in the SC, the first payment shall be made against the provision by the Consultant of a bank guarantee for the same amount and shall be valid for the period stated in the SC. Any other payment shall be made after the conditions listed in the SC for such payment have been met and the Consultant has submitted an invoice to the Client specifying the amount due.
- 6.5 Interest on Delayed Payment** Payment shall be made within thirty (30) days of receipt of invoice and the relevant documents specified in Clause 6.4. 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 .

7 SETTLEMENT OF DISPUTES

- 7.1 Amicable Settlement** The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.

7.2 Dispute Settlement

Any dispute between the Parties as to matters arising pursuant to this Contract that cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may 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.

III. SPECIAL CONDITIONS OF CONTRACT

Number of GC Clause	Amendments of and Supplements to Clauses in the General Conditions of Contract
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1.1(i) The Member in Charge is _____
[name of Member]

1.4 The addresses are:

Client:

Attention:

Telephone:

Telex;

Facsimile:

Consultant:

Attention:

Telephone;

Telex:

Facsimile:

1.6 The Authorized Representatives are:

For the Client:

For the
Consultant:

2.1 The date on which this Contract shall come into effect is (_____) [date].

Note: The date may be specified by reference to conditions of effectiveness of the Contract, such as receipt by Consultants of advance payment and by Client of bank guarantee

2.2 The date for the commencement of Services is _____ [date]

2.3 The period shall be _____ [length of time].

Note: Fill in the period, e.g., twenty-four (24) months or such other period as the Parties may agree in writing.

3.4 The risks and coverage shall be:

(i) Professional Liability

(ii) Loss of or damage to equipment and property

6.2(a) The amount is not in for this contract

6.2(b) The amount in local Currency to be paid will be based on a per centum of the project

6.4 Payments shall be made according to the following schedule:

6.4	Payments shall be made according to:
	<i>The methods stipulated according to the relevant legal provisions of the profession of the lead Consultant.</i>

IV. Appendices

APPENDIX A – DESCRIPTION OF THE SERVICES

Give detailed descriptions of the Services to be provided, dates for completion of various tasks, place of performance for different tasks, specific tasks to be approved by Client, etc.

APPENDIX B – REPORTING REQUIREMENTS

List format, frequency, and contents of reports; persons to receive them; dates of submission; etc. If no reports are to be submitted, state here “Not applicable.”

APPENDIX C– KEY PERSONNEL AND SUBCONSULTANTS

List under: C-1 Titles [and names, if already available], detailed job description and minimum qualifications of Personnel and staff-months for each.

C-2 List of approved Sub consultants (if already available); same information with respect to their Personnel as in C-1.

APPENDIX D – BREAKDOWN OF CONTRACT PRICE IN FOREIGN CURRENCY-NOT APPLICABLE

*List here the elements of cost used to arrive at the breakdown of the lump-sum price
Local Currency option*

- 1. Monthly rates for Personnel (Key Personnel and other Personnel).*
- 2. Reimbursable expenditures.*

This appendix will exclusively be used for determining remuneration for additional services.

APPENDIX E – BREAKDOWN OF CONTRACT PRICE IN LOCAL CURRENCY

List here the elements of cost used to arrive at the breakdown of the lump-sum price – local currency portion.

- 1. Monthly rates for Personnel (Key Personnel and other Personnel).*
- 2. Reimbursable expenditures.*

This appendix will exclusively be used for determining remuneration for additional services.

APPENDIX F – SERVICES AND FACILITIES PROVIDED BY THE CLIENT

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.

Please acknowledge receipt of this letter of notification signifying your acceptance.

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.

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