



## **THE CO-OPERATIVE UNIVERSITY OF KENYA STAFF PROVIDENT FUND**

**TENDER NO. CUKSPF/001/2023**

**TENDER FOR PROVISION OF EXTERNAL AUDIT SERVICES**

**NOVEMBER 2023**

The Co-operative University of Kenya Staff Provident Fund  
The Co-operative University of Kenya  
Ushirika Road  
P O Box 24814 - 00502  
NAIROBI

**ALL CANDIDATES ARE ADVISED TO READ CAREFULLY THIS TENDER DOCUMENT IN ITS ENTIRETY BEFORE MAKING ANY BID**



## SECTION A: INVITATION TO TENDER

### TENDER NO. CUKSPF/001/2023 - REQUEST FOR PROPOSAL OF PROVISION OF EXTERNAL AUDIT SERVICES

The Co-operative University of Kenya Staff Provident Fund requests interested and eligible candidates to submit proposals for provision of External Audit services.

1. Interested eligible candidates may obtain further information from The Co-operative University of Kenya Staff Provident Fund from Monday to Friday between **9.00am and 3.30pm**. The tender document is available on The Co-operative University of Kenya Staff Provident Fund website [www.cuk.ac.ke](http://www.cuk.ac.ke) free of charge to all interested parties.
2. Complete tender documents in sealed envelopes, clearly marked with the tender number, must be addressed to Trust Secretary, The Co-operative University of Kenya Staff Provident Fund, The Co-operative University of Kenya, Ushirika Road, and placed in the tender box situated at the University Administration Block on or before **12.00 Noon on 25<sup>TH</sup> NOVEMBER 2023**.
3. Tenders will be opened in the presence of candidates representatives who choose to attend immediately thereafter in the offices of The Co-operative University of Kenya Staff Provident Fund.



## SECTION B: GENERAL INFORMATION

### Cost of Tendering

The tenderer shall bear all costs associated with the preparation and submission of its tender, and The Co-operative University of Kenya Staff Provident Fund will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the tendering process

### Clarification of Documents

1. A prospective tenderer requiring any clarification of the tender document may notify The Co-operative University of Kenya Staff Provident Fund in writing. The Co-operative University of Kenya Staff Provident Fund will respond in writing to any request for clarification of the tender documents which it receives no later than seven (7) days prior to the deadline for the submission of tenders prescribed by The Co-operative University of Kenya Staff Provident Fund. Written copies of The Co-operative University of Kenya Staff Provident Fund response (including an explanation of the query but without identifying the source of inquiry) will be sent to all prospective tenderers who have received the tender documents.
2. The Co-operative University of Kenya Staff Provident Fund shall reply to any clarifications sought by the tenderer within 3 days of receiving the request to enable the tenderer to make timely submission of its tender.

### Language of Tender

1. The tender prepared by the tenderer, as well as all correspondence and documents relating to the tender exchanged by the tenderer and the Scheme/Fund, shall be written in the English language.

### Tender Prices

2. The tenderer shall indicate on Price Schedule the unit prices where applicable and total tender prices of the services it proposes to provide under the contract.
3. Prices indicated on the Price Schedule shall include all costs including taxes, insurances and delivery to the premises of the entity. The tenderer must indicate the price per year for three years starting with 2023 financial year.
4. Prices quoted by the tenderer shall remain fixed for each year quoted during the term of the contract unless otherwise agreed by the parties.
5. Where contract price variation is allowed, the variation shall not exceed 10% of the original contract price.
6. Price variation requests shall be processed by the procuring entity within 30 days of receiving the request.



## Tenderers Eligibility and Qualifications

1. The tenderer shall furnish, as part of its tender, documents establishing the tenderers eligibility to tender and its qualifications to perform the contract if it's tender is accepted.
2. The documentary evidence of the tenderers eligibility to perform the contract if its tender is accepted shall establish to The Co-operative University of Kenya Staff Provident Fund satisfaction that the tenderer has the financial and technical capability necessary to perform the contract.

## Validity of Tenders

1. Tenders shall remain valid for 90 days or as specified in the tender documents after the date of tender opening prescribed by The Co-operative University of Kenya Staff Provident Fund. A tender valid for a shorter period shall be rejected by The Co-operative University of Kenya Staff Provident Fund as non-responsive.
2. In exceptional circumstances, The Co-operative University of Kenya Staff Provident Fund may solicit the Tenderer's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing. A tenderer granting the request will not be required nor permitted to modify its tender.

## Format and Signing of Tender

1. The Tenderer shall prepare the tender in two (2) parts: one showing the **Technical Proposal** and another to show the **Financial Proposal**.
2. The tenderer shall prepare two copies of the tender, clearly marking each **"TECHNICAL ORIGINAL TENDER** and **"COPY OF TECHNICAL TENDER,"** as appropriate similarly there will be – **"FINANCIAL ORIGINAL TENDER"** and **"COPY FINANCIAL TENDER"**. In the event of any discrepancy between them, the original shall govern.
3. The original and all copies of the tender shall be typed or written in indelible ink and shall be signed by the tenderer or a person or persons duly authorized to bind the tenderer to the contract. The latter authorization shall be indicated by written power-of-attorney accompanying the tender. All pages of the tender, except for unamended printed literature, shall be initialled by the person or persons signing the tender.
4. The tender shall have no interlineations, erasures, or overwriting except as necessary to correct errors made by the tenderer, in which case such corrections shall be initialed by the person or persons signing the tender.

## Sealing and Marking of Tenders

The tenderer shall seal the original and each copy of the tender in separate envelopes, duly marking the envelopes as "ORIGINAL" and "COPY." The envelopes shall then be sealed in an outer envelope.

The inner and outer envelopes shall:



1. Be addressed to The Co-operative University of Kenya Staff Provident Fund at the following address:

**The Trust Secretary  
The Co-operative University of Kenya Staff Provident Fund  
The Co-operative University of Kenya  
Ushirika Road  
P O Box 24814 - 00502  
NAIROBI**

2. Bear inscriptions “**Tender No CUKSPF/001/2023 for Provision of External Audit Services**” and the words: “**DO NOT OPEN BEFORE, 25<sup>TH</sup> NOVEMBER 2023**”
3. The inner envelopes shall also indicate the name and address of the tenderer to enable the tender to be returned unopened in case it is disqualified for any reason before opening.

#### **Deadline for Submission of Tenders**

Tenders must be received by the Scheme at the address specified in this document no later than **12.00 Noon on 25<sup>th</sup> November 2023.**

#### **Modification and Withdrawal of Tenders**

1. The Tenderer may modify or withdraw its tender after the tender’s submission, provided that written notice of the modification, including substitution or withdrawal of the tenders, is received by the The Co-operative University of Kenya Staff Provident Fund prior to the deadline prescribed for submission of tenders.
2. The Tenderer’s modification or withdrawal notice shall be prepared, sealed, marked, and dispatched in accordance with the provisions of 1 above.
3. No tender may be modified after the deadline for the submission of tenders.
4. No tender may be withdrawn in the interval between the deadline for submission of tenders and the expiration of the period of tender validity specified by the tenderer on the Tender Form.
5. The procuring entity may at any time terminate procurement proceedings before contract award and shall not be liable to any person for the termination.
6. The procuring entity shall give prompt notice of the termination to tenderers and on request give its reasons for the termination within of 14 receiving the request from any tender.

### **Opening of Tenders**

1. The Co-operative University of Kenya Staff Provident Fund will open all tenders in the presence of tenderers' representatives who choose to attend, at 12.00 Noon on **25<sup>th</sup> November 2023** at its Boardroom.
2. The tenderers' names, tender modifications or withdrawals, tender prices, discounts and such other details as The Co-operative University of Kenya Staff Provident Fund, at its discretion, may consider appropriate, will be announced at the opening.

### **Clarification of Tenders**

1. To assist in the examination, evaluation and comparison of tenders The Co-operative University of Kenya Staff Provident Fund may, at its discretion, ask the tenderer for a clarification of its tender. The request for clarification and the response shall be in writing, and no change in the prices or substance of the tender shall be sought, offered or permitted.
2. Any effort by the tenderers to influence the tender evaluation, tender comparison or contract award decisions may result in the rejection of the tenderer's tender.



## SECTION C: - TERMS OF REFERENCE

### Scheme/Fund Background

#### 1. Establishment, nature and purpose of the fund

The fund was established under irrevocable trust and commenced on 1 July 2006. It is governed by Trust Deed and Rules dated 31 December 2008 as amended by deed of amendment dated 1 December 2009 and other subsequent supplemental deeds of addendum. It is a defined contribution fund whose main purpose is the provision of pension and other retirement benefits for members upon retirement from the founder's service and relief for the dependants of deceased members. The fund is an exempt approved plan under the Income Tax Act and is registered with the Retirement Benefits Authority.

#### 2. Contributions

Members contribute to the fund at the rate of 10% of their basic salary while the Founder contributes at the rate of 20% of the Member's pensionable salary. In addition, members are allowed to make additional voluntary contributions. Contributions are remitted monthly.

#### 3. Capital management

The primary objective of the Fund's capital management is to ensure that the Fund's funds are invested in assets that provide optimal returns while complying with the approved investment policy and the set statutory investment guidelines in order to support its business and maximize members' value. The Fund maintains an actively managed capital base to cover risks inherent in the business. The total accumulated Fund as at 31 December 2022 was Ksh.532.358,491 (2021:Kshs 498,131,610 ).

The Scheme/Fund would like to engage a competent audit firm, to carry out the external audit for The Co-operative University of Kenya Staff Provident Fund for a period covering financial years 2023 - 2025. The engagement shall include preparation of the Financial Statements.

The bidders are invited to submit a Technical Proposal and a Financial Proposal, for Scheme External audit services as specified in this document. The proposals will be the basis for negotiations and ultimately for a signed Contract with the selected firm(s).

### Objectives of the Assignment

1. The main objective of this assignment is to give an assurance that the financial accounts give a true and fair view of the Scheme as at the reporting date.
2. The key areas to be addressed by the selected Consultant (s) include:
  - i. To undertake statutory audit of the Scheme.
  - ii. To provide professional advice on the internal controls and general operational system of the Scheme.
  - iii. To ensure that the Scheme Accounts and Financial Statements are prepared in accordance with the International Financial Reporting Standards and the Provisions of Retirement Benefits Authority Act, 1997 and the Regulations thereunder.



- iv. To carry out their audit in such a manner as to have reasonable chances of detecting malpractices, errors and irregularities where possible and make recommendations to the Board of Trustees and management.
- v. To identify and determine the impact of internal control weakness and make appropriate recommendations to management.
- vi. To identify and report to Board of Trustees areas that require improvement for effectiveness and efficiency and in this regard, to issue a detailed management letter that addresses financial control and governance issues within the operations of the client and present the same to the client's audit committee.
- vii. To issue their opinion on the financial statements and submit their report to the Board of Trustees of The Co-operative University of Kenya Staff Provident Fund and to the Retirement Benefits Authority
- viii. To interact regularly and openly with the client's Board Audit, Risk & Investment Committee and report their findings to this Committee and Board of Trustees at the end of the final audit or as necessary.
- ix. To employ the services of qualified staff and have minimum staff changes over the contract duration.
- x. To maintain strict confidentiality of the client information.

#### **Preparation of Proposals:**

##### **The Technical Proposal**

1. In preparing the Technical Proposal, bidders are expected to thoroughly examine the contents of this RFP. Material deficiencies in providing the information requested may result in rejection of a proposal.
2. The original proposal 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 countersigned by the person(s) authorized.
3. While preparing the Technical Proposal, bidders must give particular attention to the following:
  - i. Each firm is expected to present its own bid without associating with other firms. Joint bids will automatically be disqualified.
  - ii. All key professional staff proposed for this assignment must be permanent employees of the bidding firm.
  - iii. Proposed professional staff must as a minimum, have the relevant experience in external audit matters.



### **The Financial Proposal**

The Financial Proposal shall provide the information requested in the financial bid. The global tender sum shall be quoted in Kenyan Shillings.

### **Evaluation of Proposals**

From the time the bids are opened to the time the Contract is awarded, if any bidder wishes to contact the Scheme on any matter related to his proposal, he should do so in writing at the submission address indicated above. Any canvassing shall result in the rejection of the bidder's proposal.

### **Communication to the Bidders**

The Trustees shall evaluate the Proposals and the results of the evaluation will be communicated to all the bidders at an appropriate time that will be decided by the Trustees.

### **Preliminary Evaluation**

1. The client will carry out evaluation on the tenders on the basis of the following factors:
  - i. The criteria for evaluation shall be sub-divided into two sections namely, Mandatory and Technical criteria. Only firms achieving all the mandatory requirements will proceed to the Technical Evaluation stage.
  - ii. Technical criterion will carry a total weight of 100% with a pass mark of 75%. All firms achieving the 75% mark will be evaluated financially. The firms will be ranked with the lowest being first and the highest last. The lowest evaluated bidder (firm) will be awarded the tender.
  - iii. During this stage, bidders' responsiveness to the tender mandatory requirements will be determined based on a "YES/NO" basis (implying compliance or non-compliance respectively). Only bidders that comply with the mandatory requirements shall proceed to any evaluation.
  
2. For the mandatory evaluation, please attach certified copies of the following:
  - i. Company registration certificate
  - ii. Current tax compliance certificate
  - iii. PIN registration certificate
  - iv. VAT registration certificate
  - v. ICPAK registration certificate
  - vi. Audited financial statements for the last three years
  - vii. Partners' practicing Certificates



### **Award of Contract and Confidentiality**

1. Discussions will be held at the submission address mentioned above. The aim is to reach an agreement on all points and to sign a contract.
2. Having selected the firm on the basis of, among other things, an evaluation of proposed key professional staff, the Board of Trustees expect to negotiate a Contract on the basis of experts named in the proposal. Before contract negotiations, the Board of Trustees will require assurances that the experts will actually be available. The Board of Trustees may choose to visit the service provider at their premises. The Board 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.
3. To complete negotiations, the Board of Trustees and the selected firm(s) will initial the agreed Contract. If negotiations fail, the Board will invite the firm whose proposal received the second highest score to negotiate a Contract.
4. The Contract will be awarded following negotiations. After negotiations are completed, the Board of Trustees will promptly notify other bidders on the short-list that they were unsuccessful.
5. The selected firm(s) is (are) expected to commence the assignment on a date mutually agreed upon for a term of three years, subject to an annual performance evaluation. The selected firm(s) will also enter into a Service Level Agreement (herein referred to as "SLA") with the Board of Trustees of both the Scheme and Fund before commencement of the contract term and shall be evaluated based on this SLA.
6. General Information about the Bidder

Please provide the following information about your company:

- i. Name of the bidder
- ii. Registered office
- iii. Postal address
- iv. Telephone number
- v. Fax number
- vi. Email address
- vii. Date of incorporation
- viii. Country of incorporation
- ix. International Affiliations-branches/dealing counterparties
- x. Main company objectives and business areas

7. Please provide the following information for each of the members of your Board of Directors:
- i. Name
  - ii. Nationality
  - iii. Date of Appointment
  - iv. Academic and professional qualifications
  - v. Proportion held of company's shares



**A. MANDATORY****Provide the following documents**

During this stage, bidders' responsiveness to the tender mandatory requirements will be determined based on "YES/NO" basis (implying responsiveness or non-responsiveness). Only bidders that comply with the mandatory requirements shall proceed to the Technical Evaluation stage.

MR	REQUIREMENTS	YES/NO
MR1	Submit a copy of Certificate of Registration/Incorporation & Partners Practicing License.	
MR2	Submit a copy of Tax Compliance issued by KRA, valid up to and including the tender closing date.	
MR3	Provide signed copies of Audited Accounts/Partnership report for the latest two years (the most current and the preceding year).	
MR4	Provide a compliance/clearance letter/certificate showing good professional standing as issued by ICPAK.	

**B. TECHNICAL EVALUATION**

Area	Points	Cut off score
<b>Capacity</b>	<b>20</b>	<b>15</b>
<p><b>Professional Qualifications:</b></p> <p>1) The Auditor (firm) shall:</p> <p>Have a minimum of 10 years' experience in external audit.</p> <p>Be duly registered as external audit service providers by ICPAK &amp; IIAK.....</p> <p>2) The Audit Firm shall provide evidence of Professional Indemnity Insurance Cover with a reputable insurance company. ....</p> <p>3) The Audit Firm shall submit curriculum vitae of at least one lead consultant and three other key personnel proposed as part of the Consultancy team.....</p> <p><i>NB: Each of the partners and or associates of the firm (if a professional partnership) to be engaged in the consultancy must be tax compliant and Certified Public Accountant (K). Attach tax compliance certificates and valid membership certificates respectively.</i></p>	<p>5 marks</p> <p>2 marks</p> <p>4 marks</p> <p>2 marks</p>	



<p><b>Academic qualification (Economics, Finance, Accounting or any other related areas).....</b></p>	<p>7 marks</p>	
<p><b>Lead Consultant :</b></p> <p>Masters &amp; CPA(K)..... s</p> <p>Degree &amp; CPA(K).....</p> <p>CPA(K)/CISA.....</p> <p><b>Associate Consultants (3):</b></p> <p>Degree &amp; CPA(K).....</p> <p>CPA(K).....</p>	<p>4 marks</p> <p>3 marks</p> <p>1 mark</p> <p>3 marks</p> <p>1 mark</p>	
<p><b>Experience</b></p>	<p><b>40</b></p>	<p><b>30</b></p>
<p>The consultant must demonstrate experience in carrying out external audit services for a comparable pension scheme of at least KES 1 billion fund value (Attach current written and certified References from at least three (3) clients complete with telephone &amp; email addresses.) .....5 Marks (for each)</p> <p><b>Relevant technical experience</b></p> <p><b>Lead Consultant (1):</b></p> <p>Over 10 years’ experience.....</p> <p>5-10 years’ experience.....</p> <p>3-5years’ experience. ....</p> <p>1-2 years’ experience. ....</p> <p><b>Associate Consultant (3):</b></p> <p>Over 5 years’ experience.....</p> <p>3-5 years’ experience.....</p> <p>1-3 years’ experience. ....</p> <p>(provide copies of CVs and Certificates for all proposed staff in this assignment)</p> <p>Provide a list of five clients under external audit services that you have served for a minimum of three years quoting their fund values. Fund sizes of at least Five Hundred Million Kenya Shillings are preferred. (Attach proof in form of signed reference or engagement letters) .... 2 Marks (for each)</p>	<p>15 marks</p> <p>6 marks</p> <p>5 marks</p> <p>4 marks</p> <p>3 marks</p> <p>9 marks</p> <p>6 marks</p> <p>3 marks</p> <p>10 marks</p>	
<p><b>Methodology</b></p>	<p><b>40</b></p>	<p><b>30</b></p>

Adequacy of the proposed Methodology and Work Plan in responding to the		
Terms of Reference. The consultant should capture in the proposal how the following will be handled:		
1. Whether there is preparation of periodic alerts or newsletters on the reporting and relevant regulatory environment to the clients. (provide evidence)	5 marks	
2. Bidder to explain and illustrate audit process (how you will execute the audit process) - audit program/plan, notice, of commencement/entry, meeting, execution/audit process,	10 marks	
3. Analysis/preliminary presentation of audit findings and reporting, follow ups and resolution of items highlighted in the management letter	5 marks	
4. How the Auditor will liaise with relevant consultants	5 marks	
5. Suitable work plan and time frame schedule of the consultancy	10 marks	
6. Reports to be submitted-inception, quarterly, annual and any other.	5 marks	
<b>Total Points</b>	<b>100</b>	<b>75</b>

**SECTION D: STANDARD FORM**  
**Financial Proposal**

[Date]

To

The Trust Secretary  
The Co-operative University of Kenya Staff Provident Fund  
The Co-operative University of Kenya  
Ushirika Road  
P O Box 24814 - 00502  
NAIROBI

Dear Sir,

1. Having examined the tender document the receipt of which is hereby duly acknowledged, we, the undersigned offer to provide the scheme External Audit services for the total sum of **[Amount in words and figures]** inclusive of taxes on the basis of the nature of operations of the Scheme on the assumption(s) that **[State the assumptions if any]**

The fees mentioned above shall be charged in the following manner:



**External Audit: The Co-operative University of Kenya Staff Provident Fund**

<b>FINANCIAL YEAR (JUL-JUN)</b>	<b>AUDIT FEES(KES)</b>	<b>FEES FOR PREPARATION OF FINANCIAL STATEMENTS (KES)</b>	<b>OTHER COSTS (KES)</b>	<b>VAT</b>	<b>TOTAL (KES)</b>
2017/2023					
2023/2019					
2019/2020					

Kindly also let us know:

- i. Under what circumstances your fees are negotiable
  - ii. What your billing frequency is
2. We undertake, if our proposal is accepted, to provide External Audit Services in accordance with the conditions of this tender.
  3. We agree to abide by this tender for a period of 90 days from the date fixed for tender opening, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
  4. This tender, together with your written acceptance thereof and your notification of award, shall constitute a basis for signing the contract by both parties.
  5. We understand that the Board of Trustees is not bound to accept the lowest of any proposal they receive.

Yours faithfully,

*[Authorized Signature]*

*[Name and title of signatory]*