

KENYA PETROLEUM REFINERIES PENSION TRUST LIMITED

REQUEST FOR PROPOSAL

**KPRPTL/OT/019.001/2019-2020
PROVISION OF CUSTODIAL SERVICES TO THE
KENYA PETROLEUM REFINERIES DEFINED
CONTRIBUTION PENSION FUND & PROVIDENT
FUND**

**Kenya Petroleum Refineries Pension Trust Limited,
Refinery Road, Changamwe,
P.O. Box 90401- 80100
Mombasa, Kenya
Website: www.kprl.co.ke**

NOVEMBER 2019

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SECTION I - LETTER OF INVITATION

26TH NOVEMBER 2019

TENDER NO: KPRPTL/OT/019.001/2019-2020

TENDER NAME: PROVISION OF CUSTODIAL SERVICES TO THE KENYA PETROLEUM REFINERIES DEFINED CONTRIBUTION PENSION FUND & PROVIDENT FUND

TO: Interested Bidder,

KENYA PETROLEUM REFINERIES PENSION TRUST LIMITED (KPRPTL) invites proposals for the PROVISION OF CUSTODIAL SERVICES TO THE KENYA PETROLEUM REFINERIES DEFINED CONTRIBUTION PENSION FUND & PROVIDENT FUND in accordance with the attached terms of reference.

The Bidder **MUST** meet the following minimum criteria: (These documents must be placed in a separate envelope marked "**MANDATORY REQUIREMENTS**").

- 1) Duly filled Declaration Form (*attached*)
- 2) Duly filled Confidential Tender Questionnaire (*attached*)
- 3) Tender Security for KES 100,000 from a bank Registered in Kenya or from an Insurance Company Approved by PPOA or equivalent in foreign currency. Valid for 180 days from the date of tender opening
- 4) Certificate of Incorporation or Registration
- 5) CR12 Certificate
- 6) Valid Tax Compliance Certificate
- 7) Valid County Business License
- 8) Valid firm's annual practicing license and registration from the Capital Markets Authority and Retirement Benefits Authority
- 9) Tender validity of 150 days
- 10) Initialing and sequential pagination of all the documents in the submission.

KPRPTL reserves the right to confirm the authenticity of all documents submitted by Tenderers. Any attempt by bidders to misrepresent themselves by submitting documents that are not genuine will amount to automatic disqualification.

Completed Tender documents in plain sealed envelopes bearing the reference number **KPRPTL/OT/019.001/2019-2020** and the remarks "**PROVISION OF CUSTODIAL SERVICES TO THE KENYA PETROLEUM REFINERIES DEFINED CONTRIBUTION PENSION FUND & PROVIDENT FUND**" indicated **DO NOT OPEN BEFORE 10.00 A.M ON WEDNESDAY 18TH DECEMBER 2019** should be addressed to:

**The Chairman,
KENYA PETROLEUM REFINERIES PENSION
TRUST LIMITED,**

**Off Refinery Rd, Changamwe,
P.O Box 90401 - 80100
Mombasa - Kenya**

And be deposited in the Tender Box provided at the main Reception, located at KPRPTL, Off Refinery Rd, Changamwe, Mombasa **on or before WEDNESDAY 18TH DECEMBER 2019 at 10.00 A.M.** Tenders submitted later than the indicated closing date and time shall be disqualified whatever the circumstance.

Prices quoted should be inclusive of all taxes and levies and shall remain valid for at least 150 days from the closing date of the tender.

Tenders will be opened immediately thereafter at KPRPTL Board Room in the presence of Tenderers' representatives who choose to attend at **10:00 a.m. on WEDNESDAY 18TH DECEMBER 2019**

Enquiries regarding this tender should be forwarded to tenders@kprl.co.ke

Yours faithfully

For **KENYA PETROLEUM REFINERIES PENSION TRUST LIMITED**

**Contracting & Procurement Manager,
KENYA PETROLEUM REFINERIES LIMITED**

FOR: CHAIRMAN, KPRPTL

SECTION II – INFORMATION TO BIDDERS (ITB)

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SECTION II: - INFORMATION TO BIDDERS (ITB)

2.1 Introduction

- 2.1.1 KPRPTL will select a firm among those who respond to this invitation to submit a proposal, in accordance with the method of selection detailed in this document. The method of selection shall be as indicated in the Appendix "ITB".
- 2.1.2 Firms are invited to submit a complete Proposal with an indicative Term Sheet. The proposal will be the basis for Contract negotiations and ultimately for a signed Contract with the selected firm.
- 2.1.3 The firms must familiarize themselves with KPRPTL's conditions and take them into account in preparing their proposals. To obtain firsthand information on the assignment and on the local conditions, Bidders are encouraged to liaise with KPRPTL 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 "ITB" 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 KPRPTL will provide the inputs specified in the Appendix "ITB", assist the firm in obtaining licenses and permits needed to carry out the services and make available relevant project data and reports. The firm remains responsible for obtaining the relevant licenses and permits.
- 2.1.5 Please note that (i) the costs of preparing the proposal and of negotiating the Contract, including any visit to KPRPTL are not reimbursable as a direct cost of the assignment; and (ii) KPRPTL is not bound to accept any of the proposals submitted.

2.2 Clarification and Amendment of Tender Document

- 2.2.1 Bidders may request a clarification on the tender document only up to seven (7) days before the stated submission date. Any request for clarification must be sent in writing by electronic mail to KPRPTL's address tenders@kprl.co.ke. KPRPTL 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 Bidders who intend to submit proposals.
- 2.2.2 At any time before the submission of proposals, KPRPTL may for any reason, whether at his own initiative or in response to a clarification requested by an invited firm, amend the tender document. Any amendment shall be issued in writing through addenda. Addenda shall be sent by email to all invited Bidders and will be binding on them. KPRPTL may at his discretion extend the deadline for the submission of proposals.

2.3 Preparation of Technical Proposal

2.3.1 The Bidders proposal shall be written in English language

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

2.3.3 While preparing the Proposal, Bidders must give particular attention to the following:

- (i) If a firm considers that it does not have all the expertise for the assignment, it may obtain a full range of expertise by associating with individual consultant(s) and/or other firms or entities in a joint venture or sub-consultancy as appropriate. Bidders shall not associate with the other Bidders participating in this tender/assignment. Any firms associating in contravention of this requirement shall automatically be disqualified.
- (ii) It is desirable that the key professional staff proposed be permanent employees of the firm or have an extended and stable working relationship with it.
- (iii) Proposed professional staff must as a minimum, have the required experience preferably working under conditions similar to those prevailing in Kenya.
- (iv) Alternative professional staff shall not be proposed and only one Curriculum Vitae (CV) shall be submitted.

2.3.4 The Proposal shall ONLY provide the information requested under Section III - Technical Proposals.

2.3.5 The Technical Proposal shall not contain any financial information. Any financial information contained in the Technical Proposal shall be treated as non-responsiveness and be cause for disqualification.

2.4 Preparation of Financial Proposal

2.4.1 In preparing the Financial Proposal, Bidders are expected to take into account the requirements and conditions outlined in the tender document. The Financial Proposal should follow the format of information requested under Section IV – Financial Proposal.

2.4.2 The Financial Proposal shall include 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

- 2.4.3 The Financial Proposal should clearly identify as a separate amount, the local taxes, imposed under the law on the Bidders.
- 2.4.4 Bidder shall express the price of their services in Kenya Shillings.
- 2.4.5 The Proposal must remain valid for 180 days after the submission date. KPRPTL will make his best effort to complete negotiations within this period. If KPRPTL wishes to extend the validity period of the proposals, the Bidders shall agree to the extension.

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

- 2.5.1 The Technical Proposal and Financial Proposal shall be prepared in indelible ink. It shall contain no interlineation or overwriting, except as necessary to correct errors made by the firm itself. Any such corrections must be initialed by the persons or person authorized to sign the proposals.
- 2.5.2 The Technical Proposal and Financial Proposal shall be forwarded to the address stated in the Appendix "ITB".
- 2.5.3 The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked "**TECHNICAL PROPOSAL,**" and the original and all copies of the Financial Proposal in a sealed envelope clearly marked "**FINANCIAL PROPOSAL**". Both envelopes shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address and other information indicated in the Appendix "ITB" and be clearly marked, "**DO NOT OPEN, EXCEPT IN PRESENCE OF THE OPENING COMMITTEE.**"
- 2.5.4 The completed Technical and Financial Proposals must be delivered at the submission address on or before the time and date stated in the Appendix "ITB". Any proposal received after the closing time for submission of proposals shall be returned to the respective consultant unopened.
- 2.5.5 After the deadline for submission of proposals, the Proposals shall be opened immediately by the opening committee and bidders' representatives who chose to attend.

2.6 **Proposal Evaluation**

- 2.6.1 From the time the bids are opened to the time the Contract is awarded, if any consultant wishes to contact KPRPTL on any matter related to his proposal, he should do so in writing at the address indicated in the Appendix "ITB". Any effort by the firm to influence KPRPTL in the proposal evaluation, proposal comparison or Contract award decisions may result in the rejection of the consultant's proposal.
- 2.6.2 The evaluation shall comprise review of the mandatory requirements, technical and financial proposals.

2.7 **Evaluation of Technical Proposal**

2.7.1 The evaluation committee shall evaluate the Technical Proposals on the basis of their responsiveness to the objectives of the assignment, applying broadly (but not exclusively) the evaluation criteria as follows: -

- (a) Completeness of bidding information, corporate structure, specific experience of the bidder to similar briefs;
- (b) Qualifications and competence of the key staff for the assignment and proposed team;
- (c) Administrative and System capability, corporate governance, risk controls; and
- (d) Asset transfer restrictions and transfer of relevant skills

2.7.2 The evaluation committee appointed by KPRPTL shall evaluate applying the scoring criteria as follows

	Points
(i) Corporate Structure criteria	30
(ii) Staff criteria	30
(iii) Risk Controls	15
(iv) Administration & Systems	20
(v) Litigation criteria	<u>5</u>
Total Points	100

2.7.3 Each responsive proposal will be given a technical score. A proposal shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference or if it fails to achieve the minimum technical score of 80 points.

2.7.4 As part of the technical evaluation bidders who pass the technical evaluation may be invited to make a presentation to the Board of Trustees on a date and at a venue to be advised.

2.8 Opening and Evaluation of Financial Proposals

2.8.1 After the Technical Proposal evaluation, the Trustees of the Scheme shall respectively notify those bidders whose proposals did not meet the minimum qualifying mark or were considered non-responsive to the RFP indicating that their Financial proposal will be returned un-opened. The Scheme Trustees shall simultaneously notify the respective bidders who have secured the minimum qualifying mark, indicating the date and time set for opening the Financial proposals and stating that the opening ceremony is open to those bidders who choose to attend

- 2.8.2 The evaluation committee will determine whether the Financial Proposals are complete. In all cases, the total price of the Financial Proposal as submitted shall prevail.
- 2.8.3 The formula for determining the financial score shall be as follows:-
- Financial Score = $100 * FL/F$, where
FL is the lowest priced Financial Proposal
F is the price of the proposal under consideration
- 2.8.4 Proposals will be ranked according to their combined technical and financial scores using weights. Technical scores will carry a weighting of 70% whilst financial scores will carry a weighting of 30%.
- 2.8.5 The firm achieving the highest combined technical and financial score will be invited for negotiations.

2.9 Negotiations

- 2.9.1 Negotiations will be held at **KPRL OFFICES, MOMBASA**. The aim is to reach agreement on all points and sign a contract.
- 2.9.2 Negotiations will include a discussion of the submitted Proposal, the proposed methodology (work plan), staffing and any suggestions made by the firm to improve the Terms of Reference. KPRPTL 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 KPRPTL to ensure satisfactory implementation of the assignment.
- 2.9.3 Having selected the firm on the basis of, among other things, an evaluation of proposed key professional staff, KPRPTL expects to negotiate a contract on the basis of the experts named in the proposal. Before contract negotiations, KPRPTL will require assurances that the experts will be actually available. KPRPTL 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.
- 2.9.4 The negotiations will conclude with a review of the draft form of the Contract. To complete negotiations KPRPTL and the selected firm will initial the agreed Contract. If negotiations fail, KPRPTL will invite the firm whose proposal received the second highest score to negotiate a contract.
- 2.9.5 KPRPTL 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.
- 2.10.2 The selected firm is expected to commence the assignment on the date and at the location specified in Appendix "ITB".
- 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 KPRPTL may at any time terminate procurement proceedings before contract award and shall not be liable to any person for the termination.
- 2.10.5 KPRPTL 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 Bidders 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 KPRPTL requires that the Bidders 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 KPRPTL 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 Bidders – “ITB”

The following information for procurement of consultancy services and selection of Bidders shall complement or amend the provisions of the information to Bidders, wherever there is a conflict between the provisions of the information and to Bidders and the provisions of the appendix, the provisions of the appendix herein shall prevail over those of the information to Bidders.

Clause Reference

- 2.1.1 The method of selection is: ***Quality & Cost Based Selection (QCBS)***
- 2.1.2 The name, objectives, and description of the assignment are: ***please refer to ToR's***
- 2.1.3 A pre-proposal conference will be held: ***upon request by bidders***
The contact details of KPRPTL's official(s) are:
CONTRACTING & PROCUREMENT MANAGER
TEL: 041-3433511
EMAIL: tenders@kprl.co.ke
- 2.1.4 KPRPTL will provide the following inputs: ***please refer to ToR's***
- 2.1.5 (ii) The estimated number of professional staff months/duration required for the assignment is; ***please refer to Tor's***
- (iv) The minimum required experience of proposed professional staff is:
As stated in the technical requirements
- 2.5.3 The proposal submission address is: ***ref Section I – Letter of Invitation clause 1.3.***
- 2.5.5 Proposals must be submitted no later than the following date and time:
1000hrs on Friday, 9th December 2019.
- 2.6.1 The address to send information to KPRPTL is: ***ref Section I – Letter of Invitation***
- 2.7.1 The minimum technical score required to pass: **80 POINTS**
- 2.8.5 The assignment is expected to commence on: ***date to be agreed***

SECTION III - TECHNICAL PROPOSAL

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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 Invitation Letter dated _____ [*Date*] and our Proposal.
We are hereby submitting our Proposal, which includes this Technical Proposal
(Submission Form and responses to Technical Requirements) and a separate
Financial Proposal.

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. TECHNICAL REQUIREMENTS

A. GENERAL INFORMATION ABOUT THE BIDDER

1.1 Name and Location of the Bidder

Please provide the following information about your firm:

- i Name of the bidder
- ii Registered office
- iii Postal Address
- iv Telephone number
- v Email address
- vi Date of incorporation
- vii Certificate of incorporation Number
- viii Country of incorporation
- ix Income Tax Personal Identification Number
- x International Affiliations – branches/dealing counterparties

1.2 Attachments

Please attach certified copies of the following:

- (a) Audited report and accounts for the last three years.
- (a) Certificate of incorporation.
- (b) CMA registration certificate and annual license.
- (c) RBA certificate of registration and annual license.
- (d) Tax clearance certificate
- (e) Business Continuity Plan
- (f) CR 12

1.3 Background

- (a) Please provide a brief description of your firm's history, ownership structure (total share capital including proportions owned by locals and foreigners) and the main objects and main business areas.
- (b) Describe the experience you have of providing custodial services to schemes of a similar size to ours and indicate the specific advantages of your firm in providing these services.

1.4 Ownership and Directors

Please provide the following information for each of the members of your

- i) Board of Directors; and
- ii) Shareholders [list should account for at least 60% of shareholding, if not 100%]:

- Name
- Nationality
- Permanent Address
- Date of Appointment
- Academic and Professional Qualifications
- If Director/Shareholder, please indicate number of shares held

1.5 Relevant Services Carried Out Previously

Please provide ten references from pension schemes and/or provident funds that your firm is currently managing in the capacity of Custodian, indicating the following items:

- i) Scheme/Client Name
- ii) Contact name
- iii) Position of Contact
- iv) Appointment Date
- v) Duration of appointment
- vi) Size of Scheme Assets under your custody
- vii) Confirmation that we may contact them to confirm appointment.
- viii) Please indicate the names of the professional staff that are currently servicing the selected clients.

1.6 Schemes Under Custody

(a) Please provide the following information, in a tabulation, of the Schemes under Custody as at 31 December 2018, 2017 and 2016:

- i). Total Number of clients managed
- ii). Total Number of retirement schemes managed
- iii). Total Value of client assets managed
- iv). Total Value of Pension Client assets managed
- v). Total number and value of assets managed for closed schemes
- vi). Value of the largest client and type (pension or other)
- vii). Value of the smallest client and type (pension or other)
- viii). Median value of pension/provident fund assets
- ix). Number of clients lost in last 3 years
- x). Value of assets lost in last 3 years
- xi). Number of clients won in last 3 years
- xii). Value of assets won in last 3 years
- xiii). Explain briefly the reasons for the additions and the departures.

(b) What has been the annual growth of your business over the last 3 years?

(c) Are you able to identify the reasons for your growth? Please state.

(d) What measures are in place to ensure that you continue to grow in the future?

(e) How has your Firm's structure changed to accommodate that growth?

- (f) Please also provide/tabulate the following information for the Retirement Schemes under custody as at 31 December 2016, 2017 and 2018; (Values in K Shs)
- i). Government securities (treasury bills and bonds)
 - ii). Equity stock quoted on the NSE
 - iii). Unquoted Stock
 - iv). Fixed-income securities
 - v). Corporate bonds
 - vi). Commercial Paper
 - vii). Direct property holdings
 - viii). Offshore equity investments
 - ix). Offshore fixed-income investments
 - x). Cash
 - xi). Other (please specify)

1.7 The Brief

- (a) Explain what experience you have of managing a mandate of the nature proposed in this RFP.
- (b) Please note that the custody of the Scheme assets will be carried out in accordance with the requirements of the Retirement Benefits Act 1997. Please confirm that you are familiar with the RBA Act and all RBA Regulations pertaining to Custody and confirm so by indicating the limits and restrictions under these regulations that apply.

1.8 Personnel

- (a) Please provide the following information in respect of your personnel in Kenya:-

Total employees split as:

- Account Managers.
 - Client Service/Marketing Manager (not included above)
 - Administrators (not included above)
 - Other Professionals (not included above)
 - Other full-time employees (not included above)
 - Overseas Professionals (if applicable). (not included above)
- (b) Provide an organizational flow chart and an organogram of the firm.
- (c) Where staff carry out more than one function, clearly indicate the various roles they are expected to carry out.
- (d) Please give an indication of turnover of personnel and specify the number of personnel who have left and joined over the last three years.
- (e) Please give an indication of the number, average experience (in years) and average service (in years) of your account and client service managers.

- (f) Please give an indication of the number, average experience (in years) and average service (in years) of your administrators.

1.9 The Team

Please provide a brief background of the team [comprising front and back office staff] proposed for this assignment e.g. client manager, director, back office administrator, etc. Please include their CVs in the format prescribed below, the number of client responsibilities for each staff and the degree of responsibility held in various assignments over the last three years.

Name of Staff:

Profession:

Date of Birth:

Years with Firm:

Nationality:

Membership in Professional Societies:

Number of client responsibilities:

Proposed Position in Team:

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.

[Full name of staff member]

[Signature of staff member]

[Date]

OR

[Full name of authorized representative]

[Signature of authorized representative of the firm]

[Date]

B. RISK CONTROLS

1. General

- 1.1. What processes are in place to ensure that the Fund Manager, Scheme Administrator and Trustees receive confirmation of receipt of contributions/other incomes?
- 1.2. How soon after receipt of a contribution or other income is the Fund Manager, Scheme Administrator and Trustee advised of the receipt(s)?
- 1.3. How soon after can the Fund Manager access new contributions/other incomes for investment?
- 1.4. What processes are in place to ensure that the Fund Manager receives prompt advise of a payment request incase an investment needs to be broken to meet the payment? How soon is the Fund Manager advised of such requests?
- 1.5. Do you provide monthly/quarterly reconciliations of holding with that of the Fund Manager?
- 1.6. How soon after the money is available is the payment prepared?
- 1.7. Where differences between the holding of the Custodian and the Fund Manager are noted, what steps are taken to resolve the matter and what is the timeframe for resolution of the same? What checks are in place to ensure this?
- 1.8. What checks are in place to ensure that the Scheme holdings are in compliance with the Scheme's IPS and the limitations under the Act at a global level and stock level?
- 1.9. Who (indicate name and position) is responsible for this compliance check?
- 1.10. Is it possible for a Fund manager to deviate from the client's Investment Policy Statement towards asset allocation?
- 1.11. If yes, why and to what extent would you as the Custodian permit this?
- 1.12. How do you ensure that potential breaches in your client agreements are addressed ex ante? On how many occasions has this occurred?
- 1.13. How are documents relating to the Scheme various holding held? How secure is this approach? How is access to the Scheme documents controlled?
- 1.14. Please enclose a copy of a sample client agreement.

2. Professional Indemnity

- 2.1. Does your company have in place Professional Indemnity insurance for the current year?
- 2.2. If yes, please state the amount of cover and the name of the insurer.
- 2.3. Kindly provide a copy of the current PI Cover in place
- 2.4. Are there any exclusions to the current cover in place?

3. Litigation History (for Custodial services only)

- 3.1. Provide a summary of your litigation history over the last ten (10) years indicating either by court or arbitration the matters your firm has won, lost, settled out of court, withdrawn and pending/on-going.
- 3.2. Indicate the number of instances your firm has been cited for breach of contract, stating the nature of the breach.
- 3.3. Indicate the number of instances your firm has been cited for breach of legislation by the regulatory authorities, stating the nature of the violation.

C. ADMINISTRATION

- 1.1. How many personnel do you employ in your administration department?
- 1.2. Do you use a specific software to maintain and update your portfolio information? Describe the system you have, including its capabilities, reporting modules, compliance modules and accessibility.
- 1.3. Describe in bullet form the steps involved in executing a trade – purchase or sale and how this integrates with your system and compliance checks and any restrictions in place from the client.
- 1.4. Is this system able to cope with local statutory as well as international reporting requirements? Please provide excerpts of your system output
- 1.5. Are your systems able to inter-face with those of the dealing parties?
- 1.6. Is your system able to prepare customized reports for the Scheme Trustees that is a client-specific reporting requirement?
- 1.7. If you have client specific reporting requirement for your other clients, please provide information on these.
- 1.8. Please confirm that you are able to provide the following: -

- Monthly reconciliation of cash and book values
- A quarterly valuation/review of portfolio
- Quarterly reconciliation of figures with those of the Fund Manager on book and market value basis

1.9. Approximately how long, after the month and quarter ends, are you able to dispatch the relevant valuations? Are you able to guarantee this?

1.10. Are you able to provide data and such information requested by the Trustees in an electronic format?

1.11. Do you have in place Disaster Recovery/Back-Up Systems? How often is this updated? How often is this tested? When was it last tested?

1.12. Fund Manager

(a) Do you have a preferred Fund Manager?

(a) If yes, who and why?

SECTION IV - FINANCIAL PROPOSAL

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SECTION V: PRICING SCHEDULE

A. FINANCIAL PROPOSAL SUBMISSION FORM (***to be placed in the Financial envelope***)

[Date]

To:

Kenya Petroleum Refineries Pension Trust Limited
P. O. Box 90401 - 80100
Mombasa, Kenya

Dear Sir,

We, the undersigned, offer to provide custodial services in accordance with your Request for Proposal dated ***{insert date}*** and our Technical and Financial Proposals. Our attached Financial Proposal is for the sum of ***{Amount in words and figures}*** inclusive of the taxes on the basis of the initial assets to be allocated to us and on the assumption(s) that ***{state your assumptions, if any}***.

We understand that the Trustees of the Scheme are not bound to accept any Proposal they receive.

We remain,

Yours Truly,

{Authorized Signature}

{Name and Title of Signatory}

B. FEES CHARGEABLE FOR THE ASSIGNMENT (*to be placed in the Financial envelope*)

Please provide the following information regarding your fees for this assignment:

- (a) Fee structure/structuring
 - i) List or attach your fee schedule.
 - ii) Explain exactly what this would cover and indicate clearly what it excludes.
 - iii) Indicate if your fees include taxes – if this is not indicated, the Trustees of the Scheme will assume that the fees include all applicable taxes. In addition your fee quotation must remain **valid for at least 5 months** from the date of submission of the proposals.
- (b) What is the basis of your fees?
- (c) Do you charge transaction fees? If yes, how much? Is there a minimum/maximum?
- (d) What is the minimum size of account your firm will accept?
- (e) What is the minimum annual fee?
- (f) Under what circumstances are your fees negotiable?
- (g) What is your billing frequency? (Monthly/Quarterly/In Advance/In Arrears?)
- (h) Please show, with an example, how you determine the amount to be billed quarterly.

SECTION V: - TERMS OF REFERENCE AND SCOPE OF WORK

BACKGROUND

Kenya Petroleum Refineries Pension Trust Limited is the corporate Trustee to the Kenya Petroleum Refineries Pension Fund (the Scheme), a defined benefit (DB) pension fund established under irrevocable trust with effect from 1st January 2008 by Kenya Petroleum Refineries Limited (the Sponsor). The main obligation of the Trustee is to administrate the Scheme with the aid of professional service providers geared towards meeting the objectives of the scheme. The main purpose of the Scheme is the provision of pensions to members upon their retirement at specified age and to widows, children and nominated beneficiaries.

In June 2016 the Sponsor, resolved to convert the fund from the defined benefit to a defined contribution arrangement, to conform with the requirements on state owned pension funds. Consequently, the Kenya Petroleum Refineries Defined Contribution Pension Fund was registered by the Retirement Benefits Authority (RBA) on 21st October, 2016 and the accrued benefits of all the active and deferred members of the DB Fund were transferred to the DC fund with effect from 1st January 2017.

The membership of the Scheme comprises approximately **200** members as at 30th June 2019. The estimated value of the Scheme assets is **K Shs 3.3 bn** as at 30th June 2019. The monthly contributions under the Scheme currently amount to approximately K Shs **6 m**.

Objectives of Assignment

The main objective of this assignment is to ensure that the assets of the Scheme are kept safely and adequate records of financial transactions are maintained independently of the scheme administrator, fund manager, property manager and any other service providers.

Scope of Services

- 1.1 The custodian's key responsibilities are as follows:
 - a) receiving contributions made by the employer and employees towards the pension scheme;
 - b) the safekeeping of all the scheme assets including cash, securities, title documents and deeds;
 - c) Open a bank account or accounts with a bank duly registered under the Banking Act (Cap 488) on behalf of the scheme for the exclusive benefit of such scheme as may be approved by the trustee.
 - d) processing the settlement of all transactions in accordance with the instructions received from the fund manager;
 - e) providing the trustees with statements of the assets and the cash flows;
 - f) undertaking all appropriate administration relating to the scheme's assets;
 - g) processing all dividends and tax reclaims in a timely manner;

- h) recording, monitoring and reconciling all activities of the fund manager and custodian, based on the electronic take-on of data from the parties, encompassing the identification and resolution of any mismatches between positions as stated by the fund manager, custodian and the audited financial statements;
- i) The custodian shall permit the scheme or their officers or duly authorized agents to inspect such books, records and statements within the premises of the custodian at any time during business hours.
- j) dealing with corporate actions;
- k) receiving and recording all dividend, interest and other income due to the scheme and crediting them to the scheme;
- l) its own compliance with prevailing legislation;
- m) providing the administrator with quarterly valuations of the scheme's assets and details of all transactions during the quarter;
- n) providing details in a timely manner to the investment consultant for performance measurement purposes;
- o) collection of income and tax reclaims.
- p) Attend Board of Trustee meetings wherever the trustee has an agenda item involving custodial services for the scheme assets.

Reports and Timelines

To be agreed between the Fund Manager and the engaging entity upon successful appointment.

Payments

This is a fixed sum contract for the duration of the contract.

Duration

The contract duration will be for an initial period of three (3) years unless terminated earlier or extended.

Confidentiality

The winning bidder will be required to sign a confidentiality agreement.

Professional indemnity

The winning bidder will be required to have in place a professional indemnity cover from a reputable insurance provider for a sum to be agreed upon.

SECTION VI : STANDARD FORMS

A. DRAFT CONTRACT (Note: a more suitable document version may be adopted)

This Agreement, [hereinafter called "the Contract"] is entered into this _____ [Insert starting date of assignment], by and between _____ [Insert Client's name] of [or whose registered office is situated at] _____ [insert Client's address](hereinafter called "the Client") of the one part

AND

_____ [Insert Consultant's name] of [or whose registered office is situated at] _____ [insert Consultant's address](hereinafter called "the Consultant") of the other part.

WHEREAS the Client wishes to have the Consultant perform the services [hereinafter referred to as "the Services", and

WHEREAS the Consultant is willing to perform the said Services,

NOW THEREFORE THE PARTIES hereby agree as follows:

- 1. Services** (i) The Consultant shall perform the Services specified in Appendix A, "Terms of Reference and Scope of Services," which is made an integral part of this Contract.
(ii) The Consultant shall provide the personnel listed in Appendix B, "Consultant's Personnel," to perform the Services.
(iii) The Consultant shall submit to the Client the reports in the form and within the time periods specified in Appendix C, "Consultant's Reporting Obligations."
- 2. Term** The Consultant shall perform the Services during the period commencing on _____ [Insert starting date] and continuing through to _____ [Insert completion date], or any other period(s) as may be subsequently agreed by the parties in writing.
- 3. Payment**
 - A. Ceiling
For Services rendered pursuant to Appendix A, the Client shall pay the Consultant a MONTHLY RETAINER of KSHS _____ [Insert amount]. This amount has been established based on the understanding that it includes all of the Consultant's costs and profits as well as any tax obligation that may be imposed on the Consultant.

B. Payment Conditions

Payment shall be made in Kenya Shillings unless otherwise specified not later than thirty [30] days following submission by the Consultant of invoices in duplicate to the Coordinator designated in Clause 4 herebelow.

4. Project Administration

A. Coordinator.

The Client designates _____ *[insert name]* as Client's Coordinator; the Coordinator will be responsible for the coordination of activities under this Contract, for acceptance and approval of the reports and of other deliverables by the Client and for receiving and approving invoices for payment.

B. Reports.

The reports listed in Appendix C, "Consultant's Reporting Obligations," shall be submitted in the course of the assignment and will constitute the basis for the payments to be made under paragraph 3.

5. Performance Standards

The Consultant undertakes to perform the Services with the highest standards of professional and ethical competence and integrity. The Consultant shall promptly replace any employees assigned under this Contract that the Client considers unsatisfactory.

6. Confidentiality

The Consultant shall not, during the term of this Contract and within two years after its expiration, disclose any proprietary or confidential information relating to the Services, this Contract or the Client's business or operations without the prior written consent of the Client.

7. Ownership of Material

Any studies, reports or other material, graphic, software or otherwise prepared by the Consultant for the Client under the Contract shall belong to and remain the property of the Client. The Consultant may retain a copy of such documents and software.

8. Consultant Not to be Engaged in certain Activities

The Consultant agrees that during the term of this Contract and after its termination the Consultant and any entity affiliated with the Consultant shall be disqualified from providing goods, works or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.

9. Insurance

The Consultant will be responsible for taking out any appropriate insurance coverage including professional indemnity cover.

10. Assignment

The Consultant shall not assign this Contract or sub-contract any portion of it without the Client's prior written consent.

11. Law Governing Contract and Language

The Contract shall be governed by the laws of Kenya and the language of the Contract shall be English Language.

12. Dispute Resolution

Any dispute arising out of the Contract which cannot be amicably settled between the parties shall be referred by either party to the arbitration and final decision of a person to be agreed between the parties. Failing agreement to concur in the appointment of an Arbitrator, the Arbitrator shall be appointed by the chairman of the Chartered Institute of Arbitrators, Kenya branch, on the request of the applying party.

FOR THE CLIENT

FOR THE CONSULTANT

Full name; _____ Full name; _____

Title: _____ Title: _____

Signature; _____ Signature; _____

Date; _____ Date; _____

B. FORM OF TENDER (*to be placed in the Financial envelope*)

Date _____

Tender No. _____

To.....

.....

[Name and address of Kenya Petroleum Refineries Pension Trust Ltd]

Gentlemen and/or Ladies:

1. Having examined the tender documents including Addenda Nos.. *[insert numbers]*, the of which is hereby duly acknowledged, we, the undersigned, offer to provide CUSTODIAL SERVICES TO THE KENYA PETROLEUM REFINERIES DEFINED CONTRIBUTION PENSION FUND & PROVIDENT FUND in conformity with the said tender documents for the sum of . *[total tender amount in words and figures]* Inclusive of all taxes or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of this Tender.
2. We undertake, if our Tender is accepted, to provide the services in accordance with the services schedule specified in the Schedule of Requirements.
3. If our Tender is accepted, we will obtain the tender guarantee in a sum equivalent to _____ percent of the Contract Price for the due performance of the Contract, in the form prescribed by KENYA PETROLEUM REFINERIES PENSION TRUST LIMITED.
4. We agree to abide by this Tender for a period of *150* days from the date fixed for tender opening of the Instructions to tenderers, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
5. Until a formal Contract is prepared and executed, this Tender, together with your written acceptance thereof and your notification of award, shall NOT constitute a binding Contract between us.

Dated this _____ day of _____ 20
[signature] *[In the capacity of]*

Duly authorized to sign tender for and on behalf of _____

D. CONFIDENTIAL BUSINESS QUESTIONNAIRE

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

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

Part 1 General

Business Name

Location of Business Premises

Plot No,Street/Road

Postal addressTel No.Fax Email

.....

Nature of Business

Registration Certificate No.

Maximum value of business which you can handle at any one time – Kshs.

Name of your bankers

.....

Branch

	<p>Part 2 (a) – Sole Proprietor Your name in full.....Age..... Nationality.....Country of Origin..... Citizenship details </p>																				
	<p>Part 2 (b) – Partnership Given details of partners as follows</p> <table border="1"> <thead> <tr> <th data-bbox="181 1167 272 1205">Name</th> <th data-bbox="517 1167 671 1205">Nationality</th> <th data-bbox="858 1167 1114 1205">Citizenship details</th> <th data-bbox="1270 1167 1370 1205">Shares</th> </tr> </thead> <tbody> <tr> <td data-bbox="233 1211 248 1240">1.</td> <td colspan="2" data-bbox="272 1211 1174 1240">.....</td> <td data-bbox="1174 1211 1174 1240"></td> </tr> <tr> <td data-bbox="233 1252 248 1281">2.</td> <td colspan="2" data-bbox="272 1252 1174 1281">.....</td> <td data-bbox="1174 1252 1174 1281"></td> </tr> <tr> <td data-bbox="233 1292 248 1321">3.</td> <td colspan="2" data-bbox="272 1292 1174 1321">.....</td> <td data-bbox="1174 1292 1174 1321"></td> </tr> <tr> <td data-bbox="233 1332 248 1361">4.</td> <td colspan="2" data-bbox="272 1332 1174 1361">.....</td> <td data-bbox="1174 1332 1174 1361"></td> </tr> </tbody> </table>	Name	Nationality	Citizenship details	Shares	1.			2.			3.			4.		
Name	Nationality	Citizenship details	Shares																		
1.																				
2.																				
3.																				
4.																				
	<p>Part 2 (c) – Registered Company Private or Public State the nominal and issued capital of company Nominal Kshs. Issued Kshs. Given details of all directors as follows</p> <table border="1"> <thead> <tr> <th data-bbox="181 1608 272 1646">Name</th> <th data-bbox="517 1608 671 1646">Nationality</th> <th data-bbox="858 1608 1114 1646">Citizenship details</th> <th data-bbox="1270 1608 1370 1646">Shares</th> </tr> </thead> <tbody> <tr> <td data-bbox="233 1653 248 1682">1.</td> <td colspan="2" data-bbox="272 1653 1174 1682">.....</td> <td data-bbox="1174 1653 1174 1682"></td> </tr> <tr> <td data-bbox="233 1709 248 1738">2.</td> <td colspan="2" data-bbox="272 1709 1174 1738">.....</td> <td data-bbox="1174 1709 1174 1738"></td> </tr> <tr> <td data-bbox="233 1771 248 1800">3.</td> <td colspan="2" data-bbox="272 1771 1174 1800">.....</td> <td data-bbox="1174 1771 1174 1800"></td> </tr> <tr> <td data-bbox="233 1834 248 1863">4.</td> <td colspan="2" data-bbox="272 1834 1174 1863">.....</td> <td data-bbox="1174 1834 1174 1863"></td> </tr> </tbody> </table>	Name	Nationality	Citizenship details	Shares	1.			2.			3.			4.		
Name	Nationality	Citizenship details	Shares																		
1.																				
2.																				
3.																				
4.																				
	<p>Date.....Signature of Candidate.....</p>																				

E. TENDER SECURITY FORM

Whereas [name of the tenderer]

(hereinafter called "the tenderer") has submitted its tender dated..... [date of submission of tender] for the provision of

[name and/or description of the services]

(hereinafter called "the Tenderer")

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

Of.....having registered office at

[name of Kenya Petroleum Refineries Pension Trust Ltd] (hereinafter called "the Bank") are bound unto.....

[name of Kenya Petroleum Refineries Pension Trust Ltd] (hereinafter called "the Kenya Petroleum Refineries Pension Trust Ltd") in the sum of

for which payment well and truly to be made to the said Kenya Petroleum Refineries Pension Trust Ltd, the Bank binds itself, its successors, and assigns by these presents. Sealed with the Common Seal of the said Bank this _____ day of 20_____.

THE CONDITIONS of this obligation are:

- 1. If the tenderer withdraws its Tender during the period of tender validity specified by the tenderer on the Tender Form; or
- 2. If the tenderer, having been notified of the acceptance of its Tender by the Kenya Petroleum Refineries Pension Trust Ltd during the period of tender validity:

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

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

[signature of the bank] _____
(Amend accordingly if provided by Insurance Company)

F. PERFORMANCE SECURITY FORM

To:

[name of the Kenya Petroleum Refineries Pension Trust Ltd]

WHEREAS.....[name of tenderer]

(hereinafter called "the tenderer") has undertaken, in pursuance of Contract No. _____ [reference number of the contract] dated _____ 20 _____ to

supply.....

[Description services] (Hereinafter called "the contract")

AND WHEREAS it has been stipulated by you in the said Contract that the tenderer shall furnish you with a bank guarantee by a reputable bank for the sum specified therein as security for compliance with the Tenderer's performance obligations in accordance with the Contract.

AND WHEREAS we have agreed to give the tenderer a guarantee:

THEREFORE WE hereby affirm that we are Guarantors and responsible to you, on behalf of the tenderer, up to a total of [amount of the guarantee in words and figures], and we undertake to pay you, upon your first written demand declaring the tenderer to be in default under the Contract and without cavil or argument, any sum or sums within the limits of [amount of guarantee] as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This **guarantee is valid until issue of certificate of completion** by KENYA PETROLEUM REFINERIES PENSION TRUST LIMITED.

Signature and seal of the Guarantors

[name of bank or financial institution]

[address]

[date]

(Amend accordingly if provided by Insurance Company)

G. LETTER OF NOTIFICATION OF AWARD

Address of Kenya Petroleum Refineries
Pension Trust Ltd

To: _____

RE: Tender No. _____

Tender Name _____

This is to notify that the contract/s stated below under the above mentioned tender have been awarded to you.

1. Please acknowledge receipt of this letter of notification signifying your acceptance.
2. The contract/contracts shall be signed by the parties within 30 days of the date of this letter but not earlier than 14 days from the date of the letter.
3. You may contact the officer(s) whose particulars appear below on the subject matter of this letter of notification of award.

(FULL PARTICULARS) _____

SIGNED FOR ACCOUNTING OFFICER