

REQUEST FOR PROPOSALS

RFP # KAM/ CONFEDERATION of DANISH INDUSTRIES

Country: Kenya

Project Name: Sustainable Growth & Industrial Competitiveness in Kenya

Operated By

Kenya Association of Manufacturers

Funding # CONFEDERATION of DANISH INDUSTRIES

Title of Financial Auditing Services:

FINANCIAL AUDIT FOR THE SUSTAINABLE GROWTH & INDUSTRIAL COMPETITIVENESS IN KENYA

Section 1. Letter of Invitation

Dear Madam / Mr,

1. The Kenya Association of Manufacturers (hereinafter called “Client”) and which is the operator of the Sustainable Growth & Industrial Competitiveness in Kenya (hereinafter called “Project”) has been in operation since June 2017 and till the period ending December 2018. The Project operates and is financed by the Danish Industries to the tune of 1,162,006 DKK.

2. The Kenya Association of Manufacturers now invites proposals to provide Financial Audit Services i.e. (The Contract). More details on the services are provided in the attached Terms of Reference.

4. A firm will be selected under Cost and Quality -Based Selection (SBQC) procedures described in this RFP.

5. The RFP includes the following documents:

Section 1 - Letter of Invitation

Section 2 - Information to Auditors (including data sheet)

Section 3 - Technical Proposal - Standard Forms

Section 4 - Financial Proposal - Standard Forms

Section 5 - Terms of Reference

Section 6 - Standard Forms of Contract

Tenders must be delivered to KAM at the address given below before **Friday, 21st of September, 2018.**

Mailing Address:

AAM Resources, Management Auditors,

Location:

13 Chiromo Lane, Westlands, P.O. Box 45931-00100, Nairobi,

Yours sincerely,

The Kenya Association of Manufacturers

Section 2. Information to Auditors

1. Introduction

1.1 The Client named in the Data Sheet will select an auditing firm/organization (the Auditor) from those listed in the Letter of Invitation, in accordance with the method of selection specified in the Data Sheet.

1.2 The short listed Auditors are invited to submit a Technical Proposal and a Financial Proposal for auditing services required for the assignment named in the Data Sheet. The Proposal will be the basis for contract negotiations and ultimately for a signed Contract with the selected Auditor.

1.3 The Client will timely provide at no cost to the Auditors the inputs and facilities specified in the Data Sheet, assist the firm in obtaining licenses and permits needed to carry out the services, and make available relevant project data and reports.

1.4 Auditors shall bear all costs associated with the preparation and submission of their proposals and contract negotiation. The Client is not bound to accept any proposal, and reserves the right to annul the selection process at any time prior to Contract award, without thereby incurring any liability to the Auditors.

Conflict of Interest

1.5 The Client requires that Auditors provide professional, objective, and impartial advice and at all times hold the Client's interests paramount, strictly avoid conflicts with other assignments or their own corporate interests and act without any consideration for future work. Auditors shall not be hired for any assignment that would be in conflict with their prior or current obligations to other clients, or that may place them in a position of not being able to carry out the assignment in the best interest of the Client.

1.5.1 Without limitation on the generality of the foregoing, Auditors, and any of their affiliates, shall be considered to have a conflict of interest and shall not be recruited, under any of the circumstances set forth in the sections below:

Conflicting activities

1.6 A firm that has been engaged by the Client to provide financial auditing services for a different project within the same financial period.

Conflicting relationships

1.6.1 An Auditor (including its Personnel and Sub-Auditors) that has a business or family relationship with a member of the Client's staff who is directly or indirectly involved in any part of (i) the preparation of the Terms of Reference of the assignment, (ii) the selection process for such assignment, or (iii) supervision of the Contract, may not be awarded a Contract, unless the conflict stemming from this relationship has been resolved in a manner acceptable to the Client throughout the selection process and the execution of the Contract.

1.6.2 Auditors have an obligation to disclose any situation of actual or potential conflict that impacts their capacity to serve the best interest of their Client, or that may reasonably be perceived as having this effect. Failure to disclose said situations may lead to the disqualification of the Auditor or the termination of its Contract.

Fraud and Corruption

1.7 The Client requires that a contracted Auditor will adhere to the highest ethical standards, both during the selection process and throughout the execution of a contract.

1.7.1 In pursuance of this policy, the client defines the terms set forth below as follows:

(a) “corrupt practice” means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the action of a public official in the selection process or in contract execution;

(b) “fraudulent practice” means a misrepresentation or omission of facts in order to influence a selection process or the execution of a contract;

(c) “collusive practices” means a scheme or arrangement between two or more auditors with or without the knowledge of the Client, designed to establish prices at artificial, non-competitive levels;

(d) “Coercive practices” means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract.

1.9 As a result of its own investigations and findings, and in accordance with its procedures, the client:

(a) will reject a proposal for award if it determines that the Auditor recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the contract in question;

(b) will declare an Auditor ineligible, either indefinitely or for a stated period of time, to be awarded a contract financed by the Client if at any time determines that the Auditor has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a contract financed by the Client .

1.8 The Client reserves the right to declare a firm or individual ineligible for a stated period of time to be awarded a contract financed by the Client , if an international or national organization has determined that such firm or individual has engaged in corrupt, fraudulent, collusive or coercive practices.

1.8.1 The Client will have the right to require that a provision be included in contracts which it finances, requiring bidders, suppliers, contractors and auditors to permit the Client to inspect their accounts and records and other

documents relating to contract performance and to have them audited by auditors appointed by the Client .

- Only Proposal** **one** 1.9 Short listed Auditors may only submit one proposal. If an Auditor submits or participates in more than one proposal, such proposals shall be disqualified. However, this does not limit the participation of the same Sub-Auditor, including individual experts, to more than one proposal.
- 2.0 Proposal** **Technical** 2.1 In preparing their Technical Proposal, Auditors are expected to examine in detail the documents comprising the RFP. Material deficiencies in providing the information requested may result in rejection of a Proposal.
- 2.2 While preparing the Technical Proposal, Auditors must pay particular attention to the following:
- (i) The estimated number of Professional staff-months/ Days or the budget for executing the assignment shall be shown in the Data Sheet. However, the Proposal shall be based on the number of Professional staff-months or budget estimated by the Auditors. If the selection method is Selection under Fixed-Budget, the available budget is given in the Data Sheet, and the Financial Proposal shall not exceed this budget.
 - (ii) It is desirable that the majority of 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, at a minimum, have the experience indicated in the Data Sheet, preferably working under conditions similar to those prevailing in the country of the assignment.
 - (iv) Alternative professional staff shall not be proposed, and only one curriculum vitae (CV) may be submitted for each position.
- Language** 2.3 Documents to be provided by the Auditors to the Client as part of this assignment must be in the language(s) specified in the Data Sheet. It is desirable that the firm's Personnel have a working knowledge of the Client's national language.

**Technical
Proposal Format
and Content**

- 2.4 The Technical Proposal shall provide the following information using the attached Standard Forms (Section 3):
- (i) A description of the methodology and work plan for performing the assignment on the following aspects: technical approach and methodology, work plan, organization, duration and staffing (Section 3B) The work plan should be consistent with the time schedule provided by the client.
 - (ii) The list of the proposed staff team by specialty, the tasks that would be assigned to each staff team member, and their timing (Section 3C).
 - (iii) CVs recently signed by the proposed professional staff and the authorized representative submitting the proposal (Section 3D). 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.
 - (iv) 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 (Sections 3E).
 - (v) A detailed description of the proposed methodology, staffing, and monitoring of training, if the Data Sheet specifies training as a major component of the assignment.
 - (vi) The schedule of activities (Section 3F).
- 2.5 The Technical Proposal **shall not** include any financial information.

**Financial
Proposals**

- 2.6 The Financial Proposal should follow Standard Forms (Section 4). It lists all costs associated with the assignment as a lump sum.
- 2.7 The Financial Proposal should clearly estimate, as a separate amount, the taxes (including social security), duties, fees, levies, and other charges imposed in the Client's country under the applicable law, on the auditors, the sub-auditors, and their personnel (other than nationals or permanent residents of the Client's country).
- 2.8 Auditors may express the price of their services in the currency(ies) designated in the Data Sheet.
- 2.9 Commissions and gratuities, if any, paid or to be paid by auditors and related to the assignment will be listed in the Financial Proposal submission form (Section 4A).
- 2.10 The Data Sheet indicates how long the proposals must remain valid after the submission date. During this period, the auditor is expected to keep available the professional staff proposed for the

assignment. The Client will make its best effort to complete negotiations within this period. If the Client wishes to extend the validity period of the proposals, the auditors who do not agree have the right not to extend the validity of their proposals.

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

- 3.1 The original proposal (Technical Proposal and Financial Proposal) shall be prepared in indelible ink. It shall contain no interlineations or overwriting, except as necessary to correct errors made by the Auditors themselves. The person who signed the proposal must initial such corrections. Submission letters for both Technical and Financial Proposals should respectively be in the format of Section 2.
- 3.2 An authorized representative of the Auditors shall initial all pages of the original Technical and Financial Proposals. The authorization shall be in the form of a written power of attorney accompanying the Proposal or in any other form demonstrating that the representative has been dully authorized to sign.
- 3.3 The number of copies of the Proposals is indicated in the Data Sheet. The Technical and Financial Proposals shall be marked "Original" or "Copy" as appropriate. If there are discrepancies between the original and the copies of the Proposal, the original governs.
- 3.4 The original and all copies of the Technical Proposal shall be placed in a sealed envelope clearly marked "Technical Proposal". Similarly, the original and all copies of the Financial Proposal shall be placed in a sealed envelope clearly marked "Financial Proposal" followed by the name of the assignment, and with a warning "Do Not Open With The Technical Proposal." The envelopes containing the Technical and Financial Proposals shall be placed into an outer envelope and sealed. This outer envelope shall bear the submission address, the data indicated in the Data Sheet, and be clearly marked "Do Not Open, Except In Proposal Opening Ceremony, in the Presence Of The Official Appointed]".
- 3.5 The Proposals must be sent to the address/addresses indicated in the Data Sheet (Sec 4.1) and received by the Client no later than the time and the date indicated in the Data Sheet. Any proposal received by the Client after the deadline for submission shall be returned unopened.
- 3.6 The Client shall open the Technical Proposal immediately after the deadline for their submission. The envelopes with the Financial Proposal shall remain sealed and securely stored.

**4.0 Proposal
Evaluation**

- 4.1 From the time the Proposals are opened to the time the Contract is awarded, Auditors who wish to contact the Client on any matter related to its Proposal should do so in writing only at the address

indicated in the Data Sheet. Any effort by Auditors to influence the Client in the examination, evaluation, ranking of Proposals, and recommendation for award of Contract may result in the rejection of the Auditors' Proposal.

Evaluation of Technical Proposals

4.2 Evaluators of Technical Proposals shall have no access to the Financial Proposals until the technical evaluation is concluded, and the Client issues its "non-objection" if required.

4.3 The evaluation committee appointed by the Client shall evaluate the Technical Proposals on the basis of their responsiveness to the Terms of Reference, applying the evaluation criteria, sub-criteria, and point system specified in the Data Sheet. Each responsive Proposal will be given a technical score (St). A Proposal shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference or if it fails to achieve the minimum technical score indicated in the Data Sheet.

5.0 Public Opening and Evaluation of Financial Proposals (only for QCBS, FBS, and LCS)

5.1 After the technical evaluation is completed the Client shall inform the Auditors who have submitted proposals the technical scores obtained by their Technical Proposals, and shall notify those Auditors whose Proposals did not meet the minimum qualifying mark or were considered non responsive to the RFP and TOR, that their Financial Proposals will be returned unopened after completing the selection process. The Client shall simultaneously notify in writing Auditors that have secured the minimum qualifying mark, the date, time and location for opening the Financial Proposals. The opening date should allow Auditors sufficient time to make arrangements for attending the opening. Auditors' attendance at the opening of Financial Proposals is optional.

5.2 Financial Proposals shall be opened publicly in the presence of the Auditors' representatives who choose to attend. The name of the Auditors, the technical scores, and the total prices shall be read aloud and recorded in minutes. Copy of the minutes shall be sent to all Auditors and the Client .

5.3 The Evaluation Committee will verify that the Financial Proposal is fully complete, (i.e. that all items of the Technical Proposal have been costed, failing which the Client will estimate the missing cost and add the estimate to the offered price), and correct any computational errors. Prices shall be converted to a single currency using the selling rates of exchange, source and date indicated in the Data Sheet. The evaluation shall exclude those taxes, duties, fees, levies, and other charges imposed under the applicable law; and to be applied to foreign and non-permanent resident auditors (and to be paid under the contract, unless the auditor is exempted), and estimated a per paragraph 2.7

5.4 In case of SBQC, the lowest evaluated Financial Proposal (Fm) will be given the maximum financial score (Sf) of 100 points. The financial scores (Sf) of the other Financial Proposals will be computed as indicated in the Data Sheet. Proposals will be ranked according to

their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; T + P = 1) indicated in the Data Sheet: $S = St \times T\% + Sf \times P\%$. The firm achieving the highest combined technical and financial score will be invited for negotiations.

5.5 In the case of Fixed-Budget Selection, the Client will select the firm that submitted the highest ranked Technical Proposal within the budget. Proposals that exceed the indicated budget will be rejected. In the case of the Least-Cost Selection, the Client will select the lowest proposal among those that passed the minimum technical score. In both cases the selected firm is invited for negotiations.

- | | | |
|---|-----|--|
| 6. Negotiations | 6.1 | Negotiations will be held at the address indicated in the Data Sheet under section 4.1 |
| Technical negotiations | 6.2 | Negotiations will include a discussion of the Technical Proposal, the proposed technical approach and methodology, work plan, and organization and staffing, and any suggestions made by the Auditor to improve the Terms of Reference. The Client and the Auditors will finalize the Terms of Reference, staffing schedule, work schedule, logistics, and reporting. These documents will then be incorporated in the Contract as "Description of Services". |
| Financial negotiations | 6.3 | The financial negotiations will include a clarification (if any) of the firm's tax liability in the Client's country, and the manner in which it will be reflected in the Contract |
| Availability of Professional staff/experts | 6.4 | Having selected the Auditor on the basis of, among other things, an evaluation of proposed Professional staff, the Client expects to negotiate a Contract on the basis of the Professional staff named in the Proposal. Before contract negotiations, the Client will require assurances that the Professional staff 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 for reasons such as death or medical incapacity. If this is not the case and if it is established that Professional staff were offered in the proposal without confirming their availability, the Auditor may be disqualified. |
| Conclusion of the negotiations | 6.5 | Negotiations will conclude with a review of the draft Contract. To complete negotiations the Client and the Auditor will initial the agreed Contract. If negotiations fail, the Client will invite the Auditor whose Proposal received the second highest score to negotiate a Contract. |
| 7. Award of Contract | 7.1 | After completing negotiations the Client shall award the Contract to the selected Auditor, and promptly notify all Auditors who have submitted proposals. After Contract signature, the Client shall return the unopened Financial Proposals to the Auditors whose technical proposal did not obtain the specified minimum technical score. |
| | 7.2 | The Auditor is expected to commence the assignment on the date and at the location specified in the Data Sheet. |

8. Confidentiality

8.1 Information relating to evaluation of Proposals and recommendations concerning awards shall not be disclosed to the Auditors who submitted the Proposals or to other persons not officially concerned with the process, until the notification of the award of Contract.

Instructions to Auditors - The Data Sheet

Paragraph Reference	
1.1	Name of the Client: Kenya Association of Manufacturers Method of selection: Cost and Quality -Based Selection (SBQC)
1.2	Designation, objectives and brief description of the assignment are as follows: Financial auditing Services for the Regional Technical Assistance Programme.
1.3	The Client will provide the following inputs: The documents listed in the Terms of Reference (ToR), relevant financial records provided by the client among others.
4.1	Clarifications may be requested not later than 5 days before the submission date. The address for requesting clarifications is: AAM Resources, Management Consultants,13 Chiromo Lane, Westlands, P.O. Box 45931-00100, Nairobi, so as to reach not later than 21st September 2018.
2.3	Proposals shall be submitted in the following language: English
2.4 (i)	The estimated number time in working days required for the assignment is: a maximum of 10 working days for the Audit for the period <i>June 2017-Dec 2018</i> .
2.2 (iii)	The minimum required experience of proposed professional staff is as follows respectively: title, number of years of professional experience, specific expertise Lead Financial Auditor, 15 years, BSc Finance, B. Com Finance, and /or ACCA/ CPA.
2.3	Reports that are part of the assignment must be written in the following language: English
2.7	Auditors shall state their price component for cost incurred in the country of the Client in the national currency of the Client which is Kenya shillings (KSH)
3.0	Proposals must remain valid 30 days after the submission date.

3.3	Auditor must submit the original and three copies of both the technical and financial Proposal.																												
4.1	The Proposal submission address is: AAM Resources, Management Consultants,13 Chiromo Lane, Westlands, P.O. Box 45931-00100, Nairobi, so as to reach not later than 21st September 2018.																												
5.0	The address for contacting the Client is: The Kenya Association of Manufacturers, P.O Box 30225 00100 Nairobi, 0202324817, 020855531/2, 0202324818 15 Mwanzi road off Peponi road opposite westgate shopping Mall Westlands																												
5.1	<p>(A)Criteria, sub-criteria, and point system for the evaluation of Technical Proposals are:</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; width: 20%;"><u>Points</u></th> </tr> </thead> <tbody> <tr> <td>(i) SPECIFIC EXPERIENCE OF THE AUDITORS RELEVANT TO THE ASSIGNMENT</td> <td style="text-align: right;">30</td> </tr> <tr> <td style="text-align: right;">Total points for Criterion (i)</td> <td style="text-align: right;">30</td> </tr> <tr> <td>(ii) ADEQUACY OF THE PROPOSED METHODOLOGY AND WORK PLANNING RESPONDING TO THE TERMS OF REFERENCE:</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">a) Work plan</td> <td style="text-align: right;">30</td> </tr> <tr> <td style="padding-left: 20px;">b) Organization and staffing</td> <td style="text-align: right;">20</td> </tr> <tr> <td style="text-align: right;">Total points for criterion (ii):</td> <td style="text-align: right;">50</td> </tr> <tr> <td>(iii) KEY PROFESSIONAL STAFF QUALIFICATIONS AND COMPETENCE FOR THE ASSIGNMENT:</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Lead Auditor</td> <td style="text-align: right;">20</td> </tr> <tr> <td style="padding-left: 40px;">1) General qualifications</td> <td style="text-align: right;">8</td> </tr> <tr> <td style="padding-left: 40px;">2) Availability / Adequacy for the assignment</td> <td style="text-align: right;">10</td> </tr> <tr> <td style="padding-left: 40px;">3) Experience in region and language</td> <td style="text-align: right;">2</td> </tr> <tr> <td style="text-align: right;">Total points for criterion (iii):</td> <td style="text-align: right;">20</td> </tr> <tr> <td style="text-align: right;">Total points for all above criterion (i) (ii) and (iii)</td> <td style="text-align: right;">100</td> </tr> </tbody> </table>		<u>Points</u>	(i) SPECIFIC EXPERIENCE OF THE AUDITORS RELEVANT TO THE ASSIGNMENT	30	Total points for Criterion (i)	30	(ii) ADEQUACY OF THE PROPOSED METHODOLOGY AND WORK PLANNING RESPONDING TO THE TERMS OF REFERENCE:		a) Work plan	30	b) Organization and staffing	20	Total points for criterion (ii):	50	(iii) KEY PROFESSIONAL STAFF QUALIFICATIONS AND COMPETENCE FOR THE ASSIGNMENT:		Lead Auditor	20	1) General qualifications	8	2) Availability / Adequacy for the assignment	10	3) Experience in region and language	2	Total points for criterion (iii):	20	Total points for all above criterion (i) (ii) and (iii)	100
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	The minimum technical score required to pass is at least 75% for each (i), (ii), (iii) criterion under 5.1

<p>5.3</p>	<p>The formula for determining the overall scores is the following:</p> <p>In case of SBQC, the lowest evaluated Financial Proposal (Fm) will be given the maximum financial score (Sf) of 100 points. The financial scores (Sf) of the other Financial Proposals will be computed on this baseline.</p> <p>Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T = the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; T + P = 1), $S_{(Total\ score)} = St \times T\% + Sf \times P\%$. The firm achieving the highest combined technical and financial score will be invited for negotiations.</p> <p>Weighting for the scores will be allocated as follows:</p> <p>Technical score = 80%, and</p> <p>Financial score = 20%</p>
<p>6.0</p>	<p>Address for contract negotiations:</p> <p>AAM Resources, Management Consultants,</p> <p>13 Chiromo Lane, Westlands,</p> <p>P.O. Box 45931-00100, Nairobi,</p>

Section 3. Technical Proposal - Standard Forms

3A. Technical Proposal submission form

[Location, Date]

To: The Kenya Association of Manufacturers.

Dear Sirs:

We, the undersigned, offer to provide the auditing services for DI – Sustainable Growth & Industrial Competitiveness in Kenya Project in accordance with your Request for Proposal dated [Insert Date] and our Proposal. We are hereby submitting our Proposal, which includes this Technical Proposal, and a Financial Proposal sealed under a separate envelope.

If negotiations are held during the period of validity of the Proposal, i.e., before [insert date], we undertake to negotiate on the basis of the proposed staff. Our Proposal is binding upon us and subject to the modifications resulting from Contract negotiations.

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

We remain,

Yours sincerely,

Authorized Signature [In full and initials]:

Name and Title of Signatory:

Name of Firm:

Address:

3B. Firm's references

**Relevant Services Carried Out in the Last Five Years
That Best Illustrate Qualifications**

Using the format below, provide information on each assignment for which your firm/entity, either individually as a corporate entity or as one of the major companies within an association, was legally contracted.

Assignment Name:		Country:
Location within Country:		Professional Staff Provided by Your Firm/Entity(profiles):
Name of Client:		Nº of Staff:
Address:		Nº of Staff-Months; Duration of Assignment:
Start Date (Month/Year):	Completion Date (Month/Year):	Approx. Value of Services (in Current US\$):
Name of Associated Auditors, If Any:		Nº of Months of Professional Staff Provided by Associated Auditors:
Name of Senior Staff (Project Director/Coordinator, Team Leader) Involved and Functions Performed:		
Narrative Description of Project:		
Description of Actual Services Provided by Your Staff:		

Firm's Name: _____

3C. Comments and suggestions of auditors on the Terms of Reference and on data, services, and facilities to be provided by the Client

On the Terms of Reference:

- 1.
- 2.
- 3.

On the data, services, and facilities to be provided by the Client:

- 1.
- 2.
- 3.

3D. Format of curriculum vitae (CV) for proposed professional staff

Proposed Position: _____

Name of Firm: _____

Name of Staff: _____

Profession: _____

Date of Birth: _____

Years with Firm/Entity: _____ Nationality: _____

Membership in Professional Societies: _____

Detailed Tasks Assigned: _____

Key Qualifications:

[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. Use about half a page.]

Education:

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

Employment Record:

[Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and locations of assignments. For experience in last ten years, also give types of activities performed and client references, where appropriate. Use about two pages.]

Languages:

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

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these data correctly describe me, my qualifications, and my experience.

_____ Date: _____

[Signature of staff member and authorized representative of the firm]

Day/Month/Year

Full name of staff member: _____

Full name of authorized representative: _____

Section 4. Financial Proposal - Standard Forms

Financial Proposal Standard Forms shall be used for the preparation of the Financial Proposal according to the instructions provided under Para. 3.6 of Section 2. Such Forms are to be used whichever is the selection method indicated in Para. 4 of the Letter of Invitation.

4A. Financial Proposal submission form

[Location, Date]

To: The Kenya Association of Manufacturers.

Ladies/Gentlemen:

We, the undersigned, offer to provide the auditing services for [Title of auditing services] in accordance with your Request for Proposal dated [Date] and our Proposal (Technical and Financial Proposals). Our attached Financial Proposal is for the sum of [Amount in words and figures]. This amount is exclusive of the local taxes, which we have estimated at [Amount(s) in words and figures].

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal, i.e., [Date].

Commissions and gratuities, if any, paid or to be paid by us to agents relating to this Proposal and Contract execution, if we are awarded the Contract, are listed below:

Name and Address of Agents	Amount and Currency	Purpose of Commission or Gratuity
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

We remain,

Yours sincerely,

Authorized Signature:
Name and Title of Signatory:
Name of Firm:
Address:

4B. Summary of costs

Costs	Currency(ies) ¹	Amount(s)
Audit costs		
Disbursement costs		
Subtotal		
Total Amount of Financial Proposal		<hr/>

¹ Local currency and USD.

Section 5. Annex A, “Terms of Reference and Scope of Services,”

Terms of Reference

TERMS OF REFERENCE FOR PERIODIC FUND ACCOUNTABILITY STATEMENTS

COVERING THE PERIOD

1st June 2017 – 31st December 2018

KAM-DI Agreement

SUSTAINABLE GROWTH & INDUSTRIAL COMPETITIVENESS IN KENYA

Introduction

The following are the terms of reference ('TORs') on which KAM agrees to engage the Auditor to perform a financial audit and to report in connection with the project below.

These TORs are subject to non-objection by AFD.

In these TORs, the following terms apply:

1. 'Audit' or 'engagement' refers to this assurance engagement which is a financial audit.
2. 'Project' refers to the project subject to audit as described at Section "Project Description".
3. 'Contract' refers to any conventional or contractual document (legal commitment) signed between KAM or another Contracting Authority and a recipient of AFD funds.
4. 'Contractual Conditions' refer to the conditions, rules, criteria which are set out in a contract.
5. 'Financial Report' refers to the Financial Report of the Project prepared by KAM. The Financial Report presents the actual expenditure incurred and revenue received for the Project for a specified period. This expenditure and revenue are the subject of this audit.
6. 'Auditor' refers to the audit firm contracted for performing this audit and for submitting a report to KAM. 'Auditor' can refer to the person or persons conducting the audit, usually the engagement partner or other members of the engagement team. The engagement partner is the partner or other person in the firm who is responsible for the engagement and its performance, and for the report that is issued on behalf of the firm, and who has the appropriate authority from a professional, legal or regulatory body.
7. 'Entity' refers to the entity subject to audit. The entity subject to this audit is KAM. It is the organisation responsible for implementing the Project, which is using the funds for the Project and which is required to report on the Project and the use of funds.
8. 'Agency' refers to the Danish Industries.
9. 'Audit Task Manager' ('ATM') refers to KAM's official who is responsible for managing the audit and who is the Auditor's primary contact point.

Project Description

KENYA ASSOCIATION OF MANUFACTURERS (KAM), a Kenyan company limited by guarantee incorporated under the Company's Act Cap 486 of the laws of Kenya and the CONFEDERATION of DANISH INDUSTRIES one of Denmark's business organizations encompassing 10,000 private enterprises in manufacturing and service industry from virtually all sub-sectors.

The amount of the Project is 1,162,006 DKK.

The Kenya Association of Manufacturers (“KAM”) has been commissioned by DI to act as the Operator of the Project. KAM shall carry out its mandate in accordance with its objectives which include regional collaboration with other organisations having objects similar to KAM.

In accordance with the Grant Agreement, KAM has committed to recruit an external auditor to conduct an Audit for the period stated.

DI will provide its no-objection on the TORs, the estimated cost and procurement documents before the KAM launches the bidding process. Prior to the signature of the Operator’s Contract by KAM, DI will have provided its no-objection on the bids’ analysis, the selected Operator and the draft contract.

Audit Objectives

The objectives of this audit are to enable the Auditor to express an opinion on whether:

1. The Financial Report prepared by KAM presents fairly, in all material respects, the actual expenditure incurred and the revenue received for the Project for the period considered in conformity with the applicable Contractual Conditions; and
2. The Project funds provided by the donor have, in all material respects, been used in conformity with the applicable Contractual Conditions.

Standards and Guidances

The Auditor who performs this financial audit is governed by:

1. The IFAC International Framework for Assurance Engagements and International Standards on Auditing ('ISAs') for Audits of Historical Financial Information insofar as these can be applied in the specific context of a contractual compliance audit;
2. The IFAC Code of Ethics for Professional Accountants (issued by IFAC's International Ethics Standards Board for Accountants (IESBA), which establishes fundamental ethical principles for Auditors with regard to integrity, objectivity, independence, professional competence and due care, confidentiality, professional behaviour and technical standards;
3. The IFAC International Standards on Quality Control (ISQCs), which establish standards and provide guidance on an Auditor's system of quality control.

Scope

The subject of the audit is the expenditures and revenues of the Project Sustainable Growth & Industrial Competitiveness in Kenya - as stated in the Financial Report delivered periodically by KAM for the considered period.

The Audit shall cover all the resources and expenses of the Project.

The audit shall be performed for the period June 2017 to December 2018.

<i>Period covered</i>	<i>Audit starting date</i>
1 st June 2017 – 31st December 2018	February 4th 2019

The audit will be performed at :

The Kenya Association Of Manufacturers
Opposite Nakumatt Westgate, along Mwanzi Road, Westlands
KAM, PO Box 30225 - 00100 GPO, Nairobi

The Contractual Conditions for this Project are set out in:

1. The Financing Agreement signed by DI and KAM;
2. The work plan and associated budget on which DI has given its no objection;

The subject of the audit is the expenditure and revenue as stated in the Financial Report of the Project for the considered period.

The Auditor will inform KAM as soon as possible about any limitations in the scope of work he/she may find prior to or during the audit.

The Auditor will report any attempt by any Entity to restrict the scope of the audit, or any lack of co-operation on the part of an Entity. The Auditor will consult KAM on what action may be required, how the audit can be continued and whether changes in the audit scope or the timetable are necessary.

The financial statement audit shall include the following:

1. Consideration of internal control over financial reporting as a basis for determining audit procedures that are appropriate in the circumstances but not for the purposes of expressing an opinion on the effectiveness of the company's internal control over financial reporting
2. Examining on a test basis, evidence supporting the amounts and disclosures in the financial statements
3. Inquiring directly of the audit committee regarding its views about the risk of fraud and whether the audit committee has knowledge of any fraud or suspected fraud affecting the company
4. Assessing the accounting principles used and significant estimates made by management
5. Assessing the procurement principles used and their effectiveness
6. Evaluating overall financial statement presentation

7. Perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. The audit shall be designed to provide reasonable assurance of detecting errors and irregularities that are material to the financial statements.

KAM's responsibilities

1. Establishing and maintaining effective internal control over financial reporting and, informing the auditor of all significant deficiencies and material weaknesses in the design or operation of internal control that could adversely affect the Company's ability to record, process, summarise and report financial data.
2. Identifying and ensuring that KAM complies with the laws and regulations applicable to its activities and informing the auditor of any known material violations of such laws and regulations
3. Properly recording transactions on this project in the accounting records
4. Adjusting the financial statements to correct material misstatements
5. Making appropriate accounting estimates
6. Safeguarding assets
7. Selecting and applying appropriate accounting policies and procurement principles
8. The overall accuracy of the financial statements and their conformity with IFRS
9. Making all financial records relating to this project and related information available to the auditor

Deliverables

The Auditor shall deliver 20 calendar days after he starts the audit a draft report to KAM (3 copies + electronic version).

KAM will share the draft report with DI as soon as it is available.

KAM and DI will provide their comments within 5 calendar days.

The Auditor shall deliver within 10 calendar days the final report (3 copies + electronic version).

Section 6. Project of Contract for Auditor Services

CONTRACT FOR AUDITORS’ SERVICES

Lump-Sum Remuneration

between

The Kenya Association of Manufacturers

and

[Name of the Auditors]

Dated:

THIS CONTRACT (“Contract”) is entered into this [insert starting date of assignment], by and between [insert Client’s name] (“the Client”) having its principal place of business at [insert Client’s address], and [insert Auditor’s name] (“the Auditor”) having its principal office located at [insert Auditor’s address].

WHEREAS, the Client wishes to have the Auditor perform the services hereinafter referred to, and

WHEREAS, the Auditor is willing to perform these services,

NOW THEREFORE THE PARTIES hereby agree as follows:

1. Services

- (i) The Auditor shall perform the services specified in Annex A, “Terms of Reference and Scope of Services,” which is made an integral part of this Contract (“the Services”).
- (ii) The Auditor shall provide the company profile (as indicated on Annex B) to complement capabilities relevant to the tasks.
- (iii) The Auditor shall submit to the Client the reports in the form and within the time periods specified in Annex C, “Auditor’s Reporting Obligations as per the International Financial reporting Standards.”

2. Term

The Auditor shall perform the Services during the period commencing 1st June 2017 and continuing through to 31st December 2018, or any other period as may be subsequently agreed by the parties in writing.

3. Payment

A. Ceiling

For Services rendered pursuant to Annex A, the Client shall pay the Auditor an amount as detailed in Annex D by the Auditor. This amount will be established based on the understanding that it includes all of the Auditor's costs and profits as well as any tax obligation that may be imposed on the Auditor.

B. Schedule of Payments

The schedule of payments is specified below:

- 50 % of the amount defined in Annex D - Upon Submission of the draft of the Audit report “1st June 2017 – 31st December 2018” and presentation of the same from the Auditor to the Client to the latter’s satisfaction and the balance upon submission of the final Audit report.

C. Payment Conditions

Payment shall be made in Ksh no later than 30 days following submission by the Auditor of invoices in duplicate to the KAM finance office designated in paragraph 3.

IBAN and BIC references shall be provided together with the first request for payment.

4. Administration

A. KAM Finance

The Client designates **Mr. Willard Sigei P.o Box 30225-00100 Nairobi 0202324817, 020855531/2, 0202324818** as Client's focal point/ 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 the payment.

B. Reports

The reports listed in Annex C, “Auditor's Reporting Obligations,” shall be submitted in the course of the assignment, and will constitute the basis for the payments .

5. Performance Standards

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

6. Confidentiality

The Auditors 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 Auditor for the Client under the Contract shall belong to and remain the property of the Client. The Auditor may retain a copy of such documents and software.

8. Auditor not to be Engaged in Certain Activities

The Auditor agrees that, during the term of this Contract and after its termination, the Auditor and any entity affiliated with the Auditor, 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 provided

9. Insurance

The Auditor will be responsible for taking out any appropriate insurance coverage.

10. Assignment

The Auditor 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.

12. Dispute Resolution

Any dispute arising out of the Contract, which cannot be amicably settled between the parties, shall be referred to adjudication/arbitration in accordance with the laws of the Client's country.

13 Corruption

The Auditor declares that:

- a) he did not engage in any action to influence the Project implementation process to the detriment of the Client, in particular no collusive practice took place nor will take place, and
- b) the selection proceedings, contract negotiations, award, and execution have not and will not be subject to any corrupt practice as defined in the United Nations Convention to combat corruption dated 31 October 2003.

FOR THE CLIENT

FOR THE AUDITOR

Signed by _____

Signed by _____

Title: _____

Title: _____

Annex B (To Be Provided by Auditor)

Refers to "Auditor's Company Profile,"

Annex C,

Auditor's Reporting Obligations.—Refers to International Financial reporting Standards Reporting Requirements.

Annex D,

Audit Period	Cost in Kshs
Audit 1- 1st June 2017-31 st December 2018	
Total Audit cost	(Please indicate Amount)