



Kenya Commercial Bank Ltd

**REQUEST FOR PROPOSAL
FOR
INTEGRATED REPORTING Consultancy**

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Project Name: INTEGRATED REPORTING

ISSUE OF RFP DOCUMENT to prospective bidders

This form is to be completed by persons collecting the tender document from Kenya Commercial Bank Ltd premises. For those downloading the document from the internet, this page is to be completed and faxed immediately to fax number +254 20 2240977 or a scan copy e-mailed to procurement@kcb.co.ke. Firms that do not register their interest in this manner may not be sent the RFP addenda should any arise.

Name of Person: _____

Organization Name: _____

Address: _____

Tel No: _____

Fax No: _____

Email Address: _____

Signature: _____

Date: _____

1. SECTION 1 – REQUEST FOR PROPOSALS

1.1 Introduction

Kenya Commercial Bank Limited (hereinafter referred to as “the Bank”) is a leading commercial banking group in the East African region, renowned for its diversity and growth potential. The Bank has been in operations over the past 100 years playing a leading role in provision of banking and financial services to the people of East Africa. KCB has operations in Kenya, Tanzania, South Sudan, Rwanda, Uganda and Burundi. The Bank has a branch network of over 200 branches backed with over 400 ATMs across the region. KCB is listed in Nairobi stock Exchange with a market capitalization of over US 2 BILLION.

This document constitutes the formal Request for Proposals (RFP) For INTEGRATED REPORTING Consultancy and is being availed on open tendering basis to bidders interested in submitting a bid.

2. SCOPE

Introduction

Capital markets have evolved from a Combined Annual Report to an Integrated Report which is fast becoming the standard that organisations use to report and communicate with their shareholders and external stakeholders.

Over the years, issues such as labour relations, working conditions, health and safety, climate change, ethics and governance, remuneration etc. have all become increasingly influential on investor fund placement decision making.

Integrated reports are critical in aiding investors to develop a holistic understanding of an organization's Operations and strategy development, equipping it with the necessary frameworks and tools to integrate sustainability and manage business risk.

The International Integrated Reporting Council (IIRC)

According to the International Integrated Reporting Council (IIRC): an Integrated report is a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term.

IIRC is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs. Together, this coalition shares the view that communication about value creation should be the next step in the evolution of corporate reporting.

The IIRC is chaired by Professor Mervyn King and Paul Druckman is the Chief Executive Officer.

The Annual versus Integrated Reports

Key differences between an annual and integrated report is that latter;

- ✓ Covers more than merely financial and non-financial information between two covers.

- ✓ Is holistic: presents both material financial and material sustainability data and demonstrate managements understanding of the inter-relationship between them.
- ✓ Is able to explain the company's business model clearly
- ✓ Considers the impact on the relevant "capitals" (financial, intellectual, human, social, relationship, manufactured, natural)
- ✓ Connects material matters to the group's strategy
- ✓ Links the highlights to KPIs, especially executive remuneration
- ✓ Include both good and bad: balance builds credibility.
- ✓ Makes CEO and CFO's reports more of a commentary/insight than a summary of the report.

Embarking on the Integrated Reporting journey will provide KCB with value-adding insights, improved governance, reputational risk management and brand building. We intend to have a phased approach to this journey with the first year dedicated to developing a more effective and value adding reporting strategy.

Sustainability Reporting

Sustainability reporting is fundamental to an organisation's integrated thinking and reporting process. It provides input into an organisation's identification of its material issues, its strategic objectives and the assessment of its ability to achieve those objectives over time.

Sustainability reporting is an intrinsic element of Integrated Reporting. An integrated report is prepared primarily for investors and providers of financial capital. An integrated Report should address sustainability issues that impact on the organisation's ability to create value over the short, medium and long term.

3. OBJECTIVES AND DELIVERABLES

3.1 Advisory Services:

Relating to Integrated Reporting including conducting research and industry benchmarking, the provision of training and facilitation of workshops with senior management to identify the group's material issues, and developing of a reporting strategy by KCB.

3.11 Content Compilation:

This is in relation to the Integrated Report, including the Chairman and CEO's report, strategy, performance review and Sustainability sections; but excluding the full governance report, annual financial statements (AFS), notice of the AGM and other mandatory reports. (E.g. remuneration and audit reports). Services will include the writing of original content and the editing of the in-house prepared copy.

3.12 Design, Structure, and Layout.

Of the entire Integrated Report, including the abridged AFS and other KCB sourced copy, and extending to design, layout, artwork, image editing, origination, tint-laying as required, setting, proof reading, production and PDF.

3.13 Printing of the Integrated Report.

In line with the agreed output quality and number of copies required of the finally agreed and approved type set document. For the period ended 31st December 2014, the bank intends to print 3000 copies of the Integrated Report.

Conclusion:

Overall, our aim as KCB Group is to ensure that we have an inclusive and responsive report, considering the wide range of stakeholder issues. The identified consultant must facilitate this transparent reporting through a formalized stakeholder engagement process.

3.2 Time Objectives

The Bank wishes to commence this programme within the month of September 2014, if an acceptable proposal is obtained.

4. COMPILATION AND SUBMISSION OF THE RFP

- 4.1.1 The overall summary information regarding Integrated Reporting is given in section 3 –Objectives and deliverables. The bidder shall include in their offer any additional services or items considered necessary for the successful completion of the project.
- 4.1.2 Proposals from bidders should be submitted in two distinct parts, namely technical proposal and financial proposal and these should be in two separate sealed envelopes, both of which should then be placed in a common sealed envelope marked:

**RFP for INTEGRATED REPORTING CONSULTANCY
DO NOT OPEN BEFORE 10th September 2014 3.00pm**

The two separate inner envelopes should be clearly marked “**Technical Proposal**”, and “**Financial Proposal**”, respectively, and should bear the name of the Bidder.

4.1.3 The Technical Proposal should contain the following:

- a. Profile of the firm as outlined as follows:
Consulting firms/Bidders, willing to be considered for the Integrated Reporting are expected to furnish the Bank with among others the following vital information, which will be treated in strict confidence by the Bank.
- Size of the company
 - Length of time in relevant area of work/specialization.
 - Certified Technical Resources in relevant area.
 - Reference sites (three) where similar nature of work has been successfully completed and where the Bank would obtain references.
 - Availability of Resources.
 - Detailed relevant experience including customers served before and type of work undertaken.
 - Company financial position as supported by relevant Audited books of Accounts for the latest two years.
 - Any other information / documents which may be considered necessary or useful for this RFP.

- b. Profile of the personnel to be involved in the work, with emphasis on academic qualifications and experience in **INTEGRATED REPORTING**.
- c. Proposed work plan on the basis of the proposed time schedule outlined in the Terms of Reference. The work plan will set out the approach to the following activities:
 - i. activity 1
 - ii. activity 2
 - iii. activity 3, etc recommendations
- d. The work plan shall include a comprehensive time schedule for carrying out the **INTEGRATED REPORTING**.

4.1.4 The Financial proposal shall clearly indicate the total cost of carrying out the **INTEGRATED REPORTING**, but should be broken down to enable partial payments or scaling of requirements.

- 4.1.5 A two-stage procedure will be adopted by the Bank for evaluating the proposals, with the technical evaluation of all proposals received in time being completed prior to any financial proposal being evaluated. Technical proposals will be evaluated based on the following general areas:
- Firm's general experience in the field of assignment
 - Firm's financial capacity
 - Understanding of the aims and objectives
 - Proposed Methodology
 - Proposed work plan
 - The qualifications and relevant experience of the personnel.
 - Overall Value proposition

Financial proposals will be evaluated on the basis of cost, lead-time and payment terms if not specified in this document.

The relative split between technical and financial scores will be as follows:

Technical	-	90%
Financial	-	10%
Total	-	100%

- 4.1.6 Bidders are requested to hold their proposals valid for ninety (90) days from the closing date for the submission. The Bank will make its best efforts to arrive at a decision within this period.
- 4.1.7 All costs pertaining to the preparation of a proposal and negotiations of a contract shall be borne by the firms submitting proposals.
- 4.1.8 Assuming that the Contract can be satisfactorily concluded the bidders shall be expected to commence the assignment immediately after the final agreement is reached.
- 4.1.9 In the case of a Joint Venture or Association, all the firms constituting the Joint Venture or Association will be jointly and severally liable and at least one firm in the Joint Venture or Association shall be financially capable of meeting the

contract requirements and potential liabilities on its own and shall assume contracting responsibility and liability for satisfactory execution of the assignment.

4.1.10 The contracting arrangements shall define clearly the responsibilities and the services to be provided by each firm in the case of a joint venture.

4.1.11 The bid documents, shall be addressed to

**The Head Procurement
Kenya Commercial Bank Ltd
KENCOM HOUSE
P.O. Box 48400, 00100
Nairobi, Kenya.**

Please note that tenders received by facsimile or electronic mail will be rejected.

4.1.12 The Bank reserves the right to accept or to reject any bid, and to annul the bidding process and reject all bids at any time prior to the award of the contract, without thereby incurring any liability to any Bidder or any obligation to inform the Bidder of the grounds for its action.

4.1.13 Cost of bidding

The Bidder shall bear all costs associated with the preparation and submission of its bid, and the Bank will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the bidding process.

4.1.14 Clarification of Bidding Document

*All correspondence related to the contract shall be made in English. Any clarification sought by the bidder in respect of the project shall be addressed at least **two (2) working days (i.e. 8th September 2014)** before the deadline for submission of bids, in writing to the Head of Procurement.*

The queries and replies thereto shall then be circulated to all other prospective bidders (without divulging the name of the bidder raising the queries) in the form of an addendum, which shall be acknowledged in writing by the prospective bidders.

Enquiries for clarifications should be sent by e-mail to procurement@kcb.co.ke

4.1.15 Amendment of Bidding Document

At any time prior to the deadline for submission of bids, the Bank, for any reason, whether at its own initiative or in response to a clarification requested by a prospective Bidder, may modify the bidding documents by amendment.

All prospective Bidders that have received the bidding documents will be notified of the amendment in writing, and it will be binding on them. It is therefore

important that bidders give the correct details in the format given on page 1 at the time of collecting/receiving the bid document.

To allow prospective Bidders reasonable time to take any amendments into account in preparing their bids, the Bank may at its sole discretion extend the deadline for the submission of bids based on the nature of the amendments.

4.1.16 Deadline for Submission of Bids

*Bids should be addressed to the Head of Procurement and sent for receipt on or before **10th September 2014 latest by 3 pm.***

Bids sent by mail should reach by the same deadline. Bids received after the above-specified date and time shall not be considered.

Any bid received by the Bank after this deadline will be rejected.

4.1.17 Cost Structure and non-escalation

The bidder shall, in their offer (Financial Proposal), detail the proposed costs.

No price escalation under this contract shall be allowed. The Bank shall not compensate for any costs incurred in the preparation and submission of this RFP.

4.1.18 Taxes and Incidental Costs

The prices and rates in the financial offer will be deemed to be inclusive of all taxes and any other incidental costs.

4.1.19 Responsiveness of Proposals

The responsiveness of the proposals to the requirements of this RFP will be determined. A responsive proposal is deemed to contain all documents or information specifically called for in this RFP document. A bid determined not responsive will be rejected by the Bank and may not subsequently be made responsive by the Bidder by correction of the non-conforming item(s).

4.1.20 Currency for Pricing of Tender

All bids in response to this RFP should be expressed in **US DOLLARS OR KENYA SHILLINGS**. Expressions in other currencies shall not be permitted. For companies registered in Kenya the bid **must** be in Kenya shillings.

4.1.21 Correction of Errors.

Bids determined to be substantially responsive will be checked by the Bank for any arithmetical errors. Errors will be corrected by the Bank as below:

- a.** where there is a discrepancy between the amounts in figures and in words, the amount in words will govern, and
- b.** where there is a discrepancy between the unit rate and the line total resulting from multiplying the unit rate by the quantity, the unit rate as quoted will govern.

The price amount stated in the Bid will be adjusted by the Bank in accordance with the above procedure for the correction of errors.

4.1.22 Evaluation and Comparison of Bids

Technical proposals will be evaluated prior to the evaluation of the financial bids. Financial bids of firms whose technical proposals are found to be non-qualifying in whatever respect may be returned unopened.

5. GENERAL CONDITIONS OF CONTRACT

5.1 Introduction

Specific terms of contract shall be discussed with the bidder whose proposal will be accepted by the Bank. The resulting contract shall include but not be limited to the general terms of contract as stated below from 3.2 to 3.14.

5.2 Award of Contract

Following the opening and evaluation of proposals, the Bank will award the Contract to the successful bidder whose bid has been determined to be substantially responsive and has been determined as the best evaluated bid.

The Bank will communicate to the selected bidder its intention to finalise the draft conditions of engagement submitted earlier with his proposals. After agreement will have been reached, the successful Bidder shall be invited for agreement and signing of the Contract Agreement to be prepared by the Bank in consultation with the Bidder.

5.3 Application of General Conditions of Contract

These General Conditions (sections 3.2 to 3.14) shall apply to the extent that they are not superseded by provisions in other parts of the Contract that shall be signed.

5.4 Bid Validity Period

Bidders are requested to hold their proposals valid for ninety (90) days from the closing date for the submission.

5.5 Non-variation of Costs

The prices quoted for the service and subsequently agreed and incorporated into the contract shall be held fixed for the contract period.

5.6 Performance Security

- 5.3.1 The Bank may at its discretion require the successful bidder to furnish it with Performance Security in the amount specified in the accepted Bid.

- 5.3.2 The Performance Security shall be in the form of a Bank guarantee issued by a commercial bank operating in Kenya and shall be in a format prescribed by the Bank. (See enclosed pro forma in Nos 4.1). The performance guarantee shall be submitted within 10 days of notification of award.
- 5.3.3 The proceeds of the Performance Security shall be payable to the Kenya Commercial Bank Limited as compensation for any loss resulting from the Bidder's failure to complete its obligations under the Contract.

The Performance Security will be discharged by the Bank not later than two months following the date of completion of the Bidder's performance obligations, and the Bank's acceptance of the final report as specified in the contract.

5.7 Delays in the Bidder's Performance

- 5.3.4 Delivery and performance of the **INTEGRATED REPORTING** shall be made by the successful Bidder in accordance with the time schedule as per Agreement.
- 5.3.5 If at any time during the performance of the Contract, the Bidder should encounter conditions impeding timely delivery and performance of the Services, the Bidder shall promptly notify the Bank in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Bidder's notice, the Bank shall evaluate the situation and may at its discretion extend the Bidder's time for performance, with or without liquidated damages, in which case the extension shall be ratified by the parties by amendment of the Contract.
- 5.3.6 Except in the case of "force majeure" as provided in Clause 3.13, a delay by the Bidder in the performance of its delivery obligations shall render the Bidder liable to the imposition of liquidated damages pursuant to Clause 3.8.

5.8 Liquidated damages for delay

The contract resulting out of this RFP shall be incorporate suitable provisions for the payment of liquidated damages by the bidders in case of delays in performance of contract.

5.9 Governing Language

The Contract shall be written in the English Language. All correspondence and other documents pertaining to the Contract which are exchanged by the parties shall also be in English.

5.10 Applicable Law

This agreement arising out of this RFP shall be governed by and construed in accordance with the laws of Kenya and the parties submit to the exclusive jurisdiction of the Kenyan Courts.

5.11 Bidder's Obligations

The Bidder is obliged to work closely with the Bank's staff, act within its own authority, and abide by directives issued by the Bank that are consistent with the terms of the Contract.

5.3.7 The Bidder will abide by the job safety measures and will indemnify the Bank from all demands or responsibilities arising from accidents or loss of life, the cause of which is the Bidder's negligence. The Bidder will pay all indemnities arising from such incidents and will not hold the Bank responsible or obligated.

5.3.8 The Bidder is responsible for managing the activities of its personnel, or subcontracted personnel, and will hold itself responsible for any misdemeanours.

5.3.9 The Bidder will not disclose the Bank's information it has access to, during the course of the work, to any other third parties without the prior written authorisation of the Bank. This clause shall survive the expiry or earlier termination of the contract

5.12 The Bank's Obligations

In addition to providing Bidder/ Consultancy with such information as may be required by the bidder to complete the **request for proposal for INTEGRATED REPORTING**, the Bank shall, provide the Bidder with specific and detailed relevant information concerning the **INTEGRATED REPORTING** in general, provide all information and access to Bank's personnel; make available to the Bidder/ consultant, for the Bidder's use in fulfilment of this Agreement, conventional office facilities for use by the employees of Bidder, if agreed and required; and appoint a coordinator who shall arrange any access to its information and staff required by Bidder for its performance under the contract, if agreed and required

5.13 Confidentiality

The parties undertake on behalf of themselves and their employees, agents and permitted subcontractors that they will keep confidential and will not use for their own purposes (other than fulfilling their obligations under the contemplated contract) nor without the prior written consent of the other disclose to any third party any information of a confidential nature relating to the other (including, without limitation, any trade secrets, confidential or proprietary technical information, trading and financial details and any other information of commercial value) which may become known to them under or in connection with the contemplated contract.

5.14 Force Majeure

(a) Neither Bidder nor Bank shall be liable for failure to meet contractual obligations due to Force Majeure.

(b) Force Majeure impediment is taken to mean unforeseen events, which occur after signing the contract with the successful bidder, including but not limited to strikes, blockade, war, mobilization, revolution or riots, natural disaster, acts of God, refusal of license by Authorities or other stipulations or restrictions by authorities, in so far as such an event prevents or delays the contractual party from fulfilling its obligations, without its being able to prevent or remove the impediment at reasonable cost.

(c) The party involved in a case of Force Majeure shall immediately take reasonable steps to limit consequence of such an event.

(d) The party who wishes to plead Force Majeure is under obligation to inform in writing the other party without delay of the event, of the time it began and its probable duration. The moment of cessation of the event shall also be reported in writing.

(e) The party who has pleaded a Force Majeure event is under obligation, when requested, to prove its effect on the fulfilling of the contemplated contract.

5.15 Payment

The Advance Payment Security shall be in the form of a Bank guarantee issued by a Commercial Bank operating in Kenya

6 Other Information

It may be necessary for the firm's representative to visit the Bank and discuss /clarify any aspects related to this service – for this purpose the contact person is the Head, Financial Reporting Mr **Fredrick Nyasaka**.

The Bank is not bound to accept the lowest or any proposal nor give reasons for its decision.