

PRE-QUALIFICATION & TENDERING

FOR

PROVISION OF EXTERNAL AUDIT

SERVICES

FOR THE FINANCIAL YEAR

2020

1. INTRODUCTION

Metropolitan National SACCO Society Limited (the “SACCO”) is the fastest growing Licensed Deposit Taking Sacco with over 50,000 active members and physical presence within the Republic of Kenya.

The SACCO was registered on 10th February 1977 (CS NO. 2628) and started operations in 1978. Since then, it has continued to record positive growth in financial services delivery resulting to tremendous growth both in financial position and performance and in the process changed its name twice to reflect its geographical reach and clientele that is being served.

Part of the SACCO’s strategic direction is to:

- i. Offer compelling and innovative products that best serve the customer needs;
- ii. Create value to its customers through providing financial solutions to their diverse needs;
- iii. Have wider coverage both in the spread of areas covered and product differentiation;
- iv. Be attractive to financial partners through good performance in profitability and financial soundness;
- v. Have highly motivated, qualified and competent staff; and
- vi. Contribute to the development of the country

2.1 INVITATION TO PRE-QUALIFICATION / TENDER

The SACCO invites eligible audit firms to be prequalified as the Sacco's External Auditors for the financial year ending 31st December 2020.

Pre-Qualification documents containing detailed specifications and other conditions can be downloaded from our website www.metrosacco.co.ke; and shall require to be filled and returned on or **before Monday, 03rd Monday August 2020 at 12:00 noon** together with evidence of payment of a non-refundable tender evaluation fee of KES.5, 000.00 per category, to our bank account listed below or deposited directly at any of the Sacco branches.

Our Bank account details are as here-under: -

Account name:	Metropolitan National SACCO Ltd.
Account No.:	01100063114802
Bank:	Cooperative Bank of Kenya Limited
Branch:	Kiambu Branch

Applications for prequalification shall be submitted in sealed envelopes and deposited in the tender box situated at Metropolitan National SACCO Ltd Head Office at Chai House, ground floor, along Koinange Street addressed to:

**The Chief Executive Officer
Metropolitan National Sacco Ltd.,
Chai House, Koinange Street,
P. O. Box 5684 - 00100,
Nairobi - Kenya.**

The tender box will be opened immediately thereafter.

2.2 MANDATORY INFORMATION/DOCUMENTS

In addition to filling the tender document, bidders must attach the following mandatory information/documents: -

- a) Copy of Certificate of registration;
- b) Copy of valid business permit
- c) Copy of Valid Tax compliance certificate for the last two years.
- d) Copy of iTax updated PIN Certificate;
- e) Copy of certificate of registration with the Institute of Certified public accountants(ICPAK)
- f) Copies of Registration certificates/Annual licences from other relevant professional bodies.
- g) Day time office Telephone / mobile number;
- h) Contact Address and Email addresses;
- i) Duly filled Confidential Business Questionnaire
- j) Business/Company profile;
- k) Provide list of clients to whom similar services have been provided detailing nature of services offered in the last 3 years. Written references will be required.
- l) Attach Detailed CVs of the proposed engagement team members distinguished by their roles and responsibilities.
- m) Duly signed declaration form.
- n) Bank statement for the last 6 months;
- o) Audited accounts for the past two years;
- p) Litigation history;
- q) Statement of proposed Audit Fees.
- r) Copy of Sacco issued receipt as evidence of payment of tender evaluation fee.

Please note that bidders must be authorized by SASRA to perform audit on SACCOs operating FOSA services.

2.3 TERMS OF REFERENCE

The appointed Auditor will be expected to undertake the following duties:

- a) Examine financial statements according to International Standards on Auditing and issue an opinion thereon in relation to compliance with the International Financial Reporting Standards (IFRS);
- b) Prepare Management Letter on the review of internal controls and other matters arising from the audit which should be brought to the attention of the Society's Board of Directors and Management;
- c) Present to the Board of Directors through the Audit Committee- the Interim & Final Audit report and findings;
- d) Comply with various reporting responsibilities for SACCO External auditors as set out in: -
 - 1. Sec 44 of the Sacco Societies Act, 2008
 - 2. Sec. 56 of the Sacco Societies (Deposit-Taking Sacco Business) Regulations, 2010
 - 3. Subsequent SASRA Circulars on External audit; and
- e) Routine consultation with the SACCO's financial team on developments in accounting, tax and new pronouncements/promulgated by accounting standard setters, SASRA, and other relevant regulators, where these are considered applicable to the SACCO.
- f) Sign the audited financial reports under the name of the firm;
- g) Any other duties as shall be agreed between the Auditors and the SACCO board of directors.
- h) Provide any other value-addition services consistent with the audit of the Society.

3.0 TENDER INSTRUCTIONS

3.1 TENDER OBJECTIVE

The main objective of this pre-qualification exercise is to identify, shortlist, evaluate and eventually engage the audit firm which shall meet the requirements of the set criteria for consideration to offer External Audit services for the financial year ending 31st December 2020.

3.2 PRE-QUALIFICATION DOCUMENT

This document includes questionnaire forms and documents required of prospective applicants.

3.3 CONSIDERATION

In order to be considered for the tender, prospective applicants MUST submit all the mandatory information herein requested.

3.4 DISTRIBUTION OF TENDER DOCUMENTS

The tender documents shall be submitted to reach: -

**The Chief Executive Officer,
Metropolitan National SACCO Ltd.,
Chai House, Koinange Street,
P. O. Box 5684 – 00100 GPO,
Nairobi, Kenya.**

3.5 QUESTIONS ARISING FROM DOCUMENTS

Prospective applicants requiring any clarification of the prequalification documents may notify the SACCO in writing or by email prequalification@metrosacco.co.ke at the SACCO's mailing address indicated in the prequalification data.

3.6 ADDITIONAL INFORMATION

The SACCO reserves the right to request submission of additional information from prospective bidders. The SACCO reserves the right to ACCEPT OR REJECT any tender in whole or part without giving reasons whatsoever.

3.7 INVITATION TO TENDERS/QUOTATIONS

Bidding documents (Tender/Quotations) will be made available only to those bidders whose qualifications are accepted by The SACCO after being selected in accordance with the Quality and Cost based selection method after the completion of the prequalification process.

4.0 INSTRUCTIONS TO PROSPECTIVE APPLICANTS

4.1 PREQUALIFICATION DATA INSTRUCTIONS

4.1.1 TENDER DATA FORMS

The attached questionnaire forms MNS-PQ-1, MNS-PQ-2, MNS-PQ-3, MNS-PQ-4, MNS-PQ-5, MNS-PQ-6, and MNS-PQ-7 & MNS-PQ-8 are to be completed by prospective bidders who wish to tender for the provision of audit services

The Tender application forms which are not filled out completely and submitted in the prescribed manner will be considered unresponsive. All the documents that form part of the proposal must be written in the English language and in ink.

4.1.2 EVALUATION CRITERIA

4.1.2.1 Pre-qualification will be based on meeting the minimum requirements to pass in the criteria set as shown below. The attached questionnaire FORMS MNS-PQ-1, MNS-PQ-2, MNS-PQ-3, MNS-PQ-4, MNS-PQ-5, MNS-PQ-6, MNS-PQ-7 & MNS-PQ-8 are to be completed by the prospective (bidders) audit firms.

4.1.2.2 It is understood and agreed that the Prequalification data on prospective bidders is to be used by the SACCO in determining, according to its sole judgment and discretion, the qualifications of prospective bidders to offer and perform audit services in line with the set standards.

4.1.2.3 Prospective bidders will not be considered qualified unless in the Judgment of the SACCO upon evaluation of information provided that they possess: - capability, experience and qualified personnel.

4.2 ESSENTIAL CRITERIA FOR EVALUATION OF THE TENDER

4.2.1 Experience:

(a) Prospective bidders require special Experience and capability to organize and deliver services as per the outlined terms of reference.

4.2.2 Personnel

The names and pertinent information and the CVs of the key personnel to execute the contract/engagement must be indicated in FORM MNS-PQ.3.

4.2.3 Confidential Business Questionnaire

The general information and details of the nature of business and location should be included in - FORM MNS-PQ-6.

4.2.4 Past Performance

Letters of reference from past customers should be included in FORM MNS-PQ-5 where applicable.

4.2.5 Litigation History and Sworn Statement

Application must include information on any history of litigation or arbitration resulting from contract executed in the last one year or currently under execution on FORM MNS-PQ-7 and a sworn statement by the Tenderer ensuring the accuracy of the information given on -FORM MNS-PQ-8

4.2.6 Competitive Audit Fees

Application must include information on the taxes, duties, fees, levies and other charges imposed under the law on the auditors and their personnel as part of the proposed financial cost of the audit services to be offered. The costs should be outlined separate for the interim audit and for the final comprehensive audit. The Proposal must remain valid for at least 90 days after the submission date. The quality of the proposal and the cost implications shall be taken into consideration as a combination.

Refer to copies of the Sacco's Income Statement & Statement of Financial position posted on our website for further guidance.

4.3 **COST OF APPLICATION**

The applicant shall bear all costs associated with the preparation and submission of its tender and the SACCO will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the prequalification / tender process.

4.4 CLARIFICATION OF PREQUALIFICATION DOCUMENTS

- 4.4.1 Prospective applicants requiring any clarification of the prequalification documents may notify the SACCO in writing or by email prequalification@metrosacco.co.ke at the SACCO's mailing address indicated in the prequalification data.
- 4.4.2 The SACCO will respond in writing to any request for clarification received earlier than 3 days prior to the deadline for the submission of applications. Copies of the SACCO's response to queries raised by applicants (including an explanation of the query but without identifying the sources of the inquiry) will be sent to all prospective applicants who will have registered interest in being pre-qualified. Registration will be via email indicating entity particulars to the address provided above.

4.5 AMENDMENT OF PREQUALIFICATION DOCUMENTS

- 4.5.1 At any time prior to the deadline for submission of applications, the SACCO may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective applicant, modify the prequalification documents by issuing subsequent Addenda.
- 4.5.2 The Addendum thus issued shall be part of the prequalification documents and shall be communicated in writing or email to all purchasers of the pre-qualification documents. Prospective applicants shall promptly acknowledge receipt of each Addendum by email to the SACCO.
- 4.5.3 In order to afford prospective applicants reasonable time in which to take an Addendum into account in preparing their applications, the SACCO may, at its discretion, extend the deadline for the submission of applications.

4.6 DEADLINE FOR SUBMISSION OF PREQUALIFICATION DOCUMENTS

- 4.6.1 Applications must be received by the SACCO at the address specified in Sub-Clause 3.4, no later than the time and date stipulated in the notice for pre-qualification.
- 4.6.2 The SACCO may, at its discretion, extend the deadline for the submission of applications through the issue of an Addendum in accordance with Clause 4.5.1 in which case all rights and

obligations of the SACCO and the applicants previously subject to the original deadline shall thereafter be subject to the new deadline as extended.

4.7 OPENING OF PREQUALIFICATION DOCUMENTS

4.7.1 The SACCO will open the applications in the presence of applicants' or their designated representatives, if they choose to attend, at the time, date, and location stipulated in the notice for prequalification. The applicants' representatives who are present shall sign a register evidencing their attendance.

4.7.2 The SACCO shall prepare minutes of the opening of the prequalification documents, including the information disclosed to those present.

4.7.3 Applications not opened and read out at opening shall not be considered further for evaluation, irrespective of the circumstances.

4.8 CONFIDENTIALITY

4.8.1 Information relating to the examination, evaluation of applications, and recommendations for the successful candidate shall not be disclosed to applicants or any other persons not officially concerned with such process until approval of the successful applicant has been announced. Any effort by an applicant to influence the SACCO's processing of applications or approval decisions **WILL** result in the rejection of their application.

4.9 CLARIFICATION OF APPLICATIONS AND CONTACTING THE SACCO

4.9.1 To assist in the examination, evaluation, and comparison of applications, the SACCO may, at its discretion, ask any applicant for clarification of his/her application.

4.9.2 Subject to Sub-Clause 4.9.1, no applicant/bidder shall contact the SACCO on any matter relating to its application from the time of the opening to the time the prequalification list is approved. If the applicant wishes to bring additional information to the notice of the SACCO, they should do so in writing.

4.9.3 Any effort by any applicant to influence the SACCO in the SACCO's prequalification evaluation, prequalification comparison or prequalification approval decisions WILL result in automatic rejection of the candidate's application.

4.10 EXAMINATION OF PREQUALIFICATION DOCUMENTS AND DETERMINATION OF RESPONSIVENES

4.10.1 Prior to the detailed evaluation of applications, the SACCO will determine whether each application: -

- (a) has been properly signed and delivered
- (b) is substantially responsive to the requirements of the prequalification documents; and
- (c) provides any clarification and/or substantiation that the SACCO may require to determine responsiveness.

4.10.2 A substantially responsive application is one that conforms to all the terms, conditions, and specifications of the prequalification documents without material deviation or reservation.

A material deviation or reservation is one: -

- (a) which limits in any substantial way, inconsistent with the prequalification documents, the SACCO's rights or the applicant's obligations under the contract; or
- (b) whose rectification would affect unfairly the competitive position of other applicants presenting substantially responsive applications.

4.10.3 If an application is not substantially responsive, it will be rejected by the SACCO and may not subsequently be made responsive by correction or withdrawal of the nonconforming deviation or reservation.

4.10.4. The SACCO may, prior to the approval of the prequalification, confirm the qualification of each applicant who shall have passed the technical stage of the prequalification process in order to determine whether the applicant possesses all the requirements in the application for the prequalification document submitted.

4.11 NOTIFICATION OF QUALIFIED APPLICANTS

4.11.1 Applicants whose applications are determined to be successful in accordance with sub-clause 4.10.2 will be notified by the SACCO within thirty (30) days from the date of opening of prequalification documents.

4.11.2 At the time the SACCO notifies qualified Applicants that their applications are responsive, the SACCO shall also notify the other Applicants whose applications are not found to be responsive.

4.12 EVALUATION AND COMPARISON OF APPLICATIONS

4.12.1 The SACCO reserves the right to accept or reject any application, and to annul the prequalification process and reject all applications, at any time prior to approval of candidate, without incurring any liability to the affected applicant or applicants or any obligation to inform the affected Applicant or Applicants of the grounds for the SACCO's action.

4.13 NOTIFICATION OF APPROVAL

4.13.1 Prior to expiration of the period of prequalification validity prescribed by the SACCO, the SACCO will notify successful applicants.

4.14 ACCEPTANCE OF THE APPROVAL

4.14.1 The successful candidates shall be required to acknowledge in writing the acceptance of their prequalification/tender to the SACCO.

4.15 WITHDRAWAL OF TENDER

Should a condition arise between the time firm has tendered the bid and the bid opening date which in the opinion of the SACCO could substantially change the performance and qualification of the bidder or its ability to perform, such as but not limited to bankruptcy, change in ownership or new commitments, the SACCO reserves the right to reject the tender from such a bidder even though it was initially pre-qualified.

4.16 OUTLINED SUPPLY AND DELIVERY PROCEDURES

The applicant should also submit a brief statement of service delivery methods and procedures they plan to use to execute the contract in FORM MNS-PQ-3.

4.17 EVALUATION CRITERIA

Sr. No.	Consideration	Score
1	General experience	
	Including Company/Business Profile - Disclosure of Directors/ Partners/Sole Proprietor	25
2	Specific experience,	35
	Demonstration of sufficient technical/operational capability and relevant experience in the line of business	
	Business Referees (at least three)	
	Experience in details of similar assignments recently undertaken	
	Attach list of clients, reference letters	
3	Cost Competitiveness	20
	Reasonableness of the Audit fees quoted in terms of offering value for money for quality services offered.	
4	Litigation history	4
5	Document conformity (Indexing/pagination)	16
	Total	100

4.18 QUALIFICATION MARK

The qualification mark is seventy-five (75) points and over

5.0 APPENDICES

5.1 FORM MNS-PQ 1 TENDER DOCUMENTATION

All candidates must provide the following as may be applicable:

- (a) Document Conformity/Presented in clear format (The application should clearly show the table of contents and continuous page numbers from first to last page (pagination)
- (b) Copy of Certificate of registration;
- (c) Copy of valid business permit
- (d) Copy of Valid Tax compliance certificate for the last two years.
- (e) Copy of iTax updated PIN Certificate;
- (f) Copy of certificate of registration with the Institute of Certified public accountants(ICPAK)
- (g) Copies of Registration certificates/Annual licences from relevant professional bodies.
- (h) Day time office Telephone / mobile number;
- (i) Contact Address and Email addresses;
- (j) Duly filled Confidential Business Questionnaire
- (k) Business/Company profile;
- (l) Provide list of clients to whom similar services have been provided detailing nature of services offered in the last 3 years. Written references will be required.
- (m) Attach Detailed CVs of the proposed engagement team members distinguished by their roles and responsibilities.
- (n) Duly signed declaration form.
- (o) Bank statement for the last 6 months;
- (p) Audited accounts for the past two years;
- (q) Litigation history;
- (r) Statement of proposed Audit Fees.
- (s) Copy of Sacco issued receipt as evidence of payment of tender evaluation fee.

TENDER PREQUALIFICATION QUESTIONNAIRE

5.2 FORM MNS-PQ-2 (BIO DATA)

1. Contractor Identification
Legal name of firm.....
Post office address
Street and Address.....
City.....
County.....
Telephone No.....
Person to contact.....
Title.....

2. Organization & Business Information.....
Directors.....
Management Personnel.....
Other.....
Partnership (if applicable).....
Names of Partners.....

3. Date Business founded or incorporated.....

4. Under present management since.....

5. Net worth equivalent KES.....

6. Bank reference and address.....

7. Enclose copy of the organization chart of the firm indicating the main fields of activities

5.3 FORM MNS-PQ3 SUPERVISORY PERSONNEL

Name.....
Age.....
Academic Qualification.....
.....
Professional Qualification.....
.....
Length of service with contractor or supplier position held
.....

Supply or service experience

- a) Name of Client/Customer.....
- b) Character and nature of Contract.....
- c) Contract value.....
- d) Location of Contract.....
- e) Period of Contract.....
- f) Title and responsibility in Contract.....
.....
- g) Other.....

Proposed Technical Personnel

- i.
- ii.
- iii.
- iv.

Proposed position in this project if contract is awarded.....

Brief statement of service delivery method the bidder plans to use to execute the contract.....

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

5.4 FORM MNS-PQ-4 FINANCIAL POSITION

- Attach a copy of firm's two recent Audited financial statements giving Summary of assets and current liabilities

- Attach certified bank statement for the last immediate 6 months

5.5 FORM MNS-PQ-5 PAST EXPERIENCE

NAMES OF THE APPLICANTS CLIENTS IN THE LAST TWO YEARS

NAMES OF APPLICANTS OTHER CLIENTS AND VALUES OF CONTRACTS

1. Name of 1st client (Organization)

- i. Name of client (Organization).....
- ii. Address of Client (Organization).....
- iii. Name of contact person at the client (Organization).....
- iv. Telephone No. of Client.....
- v. Value of contract.....
- vi. Duration of contract (date).....

2. Name of 2nd client (Organization)

- i. Name of client (Organization).....
- ii. Address of client (Organization).....
- iii. Name of contact person at the client (Organization).....
- iv. Telephone No. of Client.....
- v. Value of contract.....
- vi. Duration of contract (Date).....

3. Name of 3rd Client (Organization)

- i. Name of client (Organization).....
- ii. Address of Client (Organization).....
- iii. Telephone No. of Client.....
- iv. Name of contact person at the client (Organization).....
- v. Value of contract.....
- vi. Duration of contract (Date).....

Others.....

5.6 FORM MNS-PQ-6 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 applies in your type of business. You are advised that it is a serious offence to give false information on this Form

PART1 GENERAL

Business Name.....
 Location of Business premises..... Plot No.....
 Street/Road.....
 Postal Address.....
 Tel. No.....
 Nature of business.....
 Current Trade License No.....Expiring date.....
 Maximum value of business which you can handle at any one time KES.....
 Name of your bankers.....Branch.....

PART 2 (a) – Sole Proprietors

Your name in full.....Age.....
 Nationality.....Country of origin.....
 Citizenship details.....

Part 2 (b) – Partnership:

	Name	Nationality	Shares
1.
2.
3.
3.
4.

Part 2 (c) - Registered Company

Private Public

State the nominal and issued capital of the company: -

Nominal KES.....

Issued KES.

Give details of all directors as follows:

Name	Nationality	ID Number	Shares (%)
1.			
2.			
3.			
4.			
5.			

Date.....Signature & Stamp of Tenderer.....

5.7 MNS-PQ-7 LITIGATION HISTORY

Bidders should provide information on any history litigation or arbitration resulting from contracts executed in the last five years or currently under execution.

Year	Award for or against	Name of client cause of Litigation and matter in dispute	Disputed Amount (current value, KES. Equivalent)

5.8 FORM MNS-PQ-8 DECLARATION FORM

Having studied the tender information for the above assignment we/I hereby state: -

- a. The information furnished in our application is accurate to the best of our knowledge.

- b. When the call for Tenders/Quotations is issued, if the legal, technical, financial conditions or the contractual capacity of the firm changes we will inform you and acknowledge your right to review the tender made.

- c. We enclose all the required documents and information required for the pre-qualification and evaluation.

Date.....

Applicant's Name.....

Represented by.....

Signature.....

(Full name and designation of the person signing and stamp or seal)