



**NATIONAL WATER CONSERVATION AND PIPELINE  
CORPORATION**

**REQUEST FOR PROPOSAL**

**PROVISION OF TAX CONSULTANCY SERVICES  
FOR REVIEW OF OUTSTANDING TAX ARREARS**

**TENDER NO.NWC/ONT/007/2017-2018**

**Managing Director  
National Water Conservation & Pipeline Corporation  
P. O. Box 30173  
NAIROBI**

**Tel: 556600-03, Fax: 531049,**

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## LETTER OF INVITATION (LOI)

30<sup>th</sup> October 2017

TENDER REF. NO: NWC/ONT/007/2017-2018

### TENDER NAME: PROVISION OF TAX CONSULTANCY SERVICES FOR REVIEW OF OUTSTANDING TAX ARREARS

#### 1. INTRODUCTION

- 1.1. You are hereby invited to submit a technical and financial proposal for consulting services required for the Assignment named in this attached LOI. Your proposal could form the basis for future negotiations and ultimately a contract between your firm and the Client named in the Data Sheet. Interested eligible candidates may obtain further information from and inspect the tender documents from <http://www.mygov.go.ke>; or **NWCPC website**: [http://www.watercorporation.go.ke/ portals](http://www.watercorporation.go.ke/portals);
- 1.2. A brief description of the Assignment and its objectives are given in the Data Sheet.
- 1.3. The client has funds from government of Kenya towards the cost of undertaking this consultancy.
- 1.4. The Consultant shall provide all the necessary resources required to perform the tasks of this assignment. These shall include office accommodation, transport, stationery, equipment, facilities and other materials that may be required for completion of the consultancy.
- 1.5. Please note that (i) the costs of preparing the proposal and of negotiating the contract, including a visit to the Client, are not reimbursable as a direct cost of the Assignment; and (ii) the Client is not bound to accept any of the proposals submitted.

#### 2. DOCUMENTS

- 2.1 To prepare a proposal, please use the attached Documents listed in the Data Sheet.
- 2.2 Consultants requiring a clarification of the Documents must notify the Client, in writing, before the proposal submission date. Any request for clarification in writing, or by cable, telex or telefax shall be sent to the Client's address indicated in the Data Sheet. The Client shall respond by cable, telex or telefax to such requests, and copies of the response shall be sent to all invited Consultants.
- 2.3 At any time before the submission of proposals, the Client may, for any reason, whether at its own initiative or in response to a clarification

requested by an invited consulting firm, modify the Documents by amendment. The amendment shall be sent in writing or by cable, telex or telefax to all invited consulting firms and will be binding on them. The Client may at its discretion extend the deadline for the submission of proposals.

### **3. PREPARATION OF PROPOSAL**

3.1. You are requested to submit a technical and a financial proposal. Your proposal shall be written in the language specified in the Data Sheet.

#### **TECHNICAL PROPOSAL**

3.2. In preparing the technical proposal, you are expected to examine all terms and instructions included in the Documents. Failure to provide all requested information shall be at your own risk and may result in rejection of your proposal.

3.3. Your technical proposal shall provide the following and any additional information, using the formats attached in Appendix 1:

- (i) A brief description of the Consultant's organization and an outline of recent experience on assignments of a similar nature. For each assignment, the outline should indicate, inter alia, the profiles of the staff provided, duration, contract amount and firm involvement.
- (ii) The composition of the proposed staff team, the tasks which would be assigned to each, and their timing.
- (iii) CVs recently signed by the proposed key professional staff or an authorized manager in the Consultants office. Key information should include number of years with the firm, and degree of responsibility held in various assignments during the last ten (10) years.
- (iv) The Consultant's comments, if any, on the data, services and facilities to be provided by the Client and indicated in the TOR.

3.4. The technical proposal shall not include any financial information.

#### **FINANCIAL PROPOSAL**

3.5. The financial proposal should list the costs associated with the assignment. These normally cover remuneration for staff, transportation, services and equipment, printing of documents, surveys. Your financial proposal should be prepared using the formats attached in Appendix 2.

3.6. The financial proposal shall take into account all the government taxes.

3.7. All prices shall be quoted in Kenya Shillings.

#### **4. SUBMISSION OF PROPOSAL**

4.1. You shall submit one original technical proposal and one original financial proposal and the number of copies of each indicated in the Data Sheet. Each proposal shall be in a separate envelope indicating original or copy, as appropriate.

**All technical proposals shall be placed in an envelope clearly marked “Technical Proposal,” and the financial proposals in one marked “Financial Proposal.” These two envelopes, in turn, shall be sealed in an outer envelope addressed to:**

**The Managing Director  
National Water Conservation & Pipeline Corporation,  
PO Box 30173, 00100  
Nairobi, Kenya**

And, clearly marked with the title of this Consultancy service:

4.2. In the event of any discrepancy between the copies of the proposals, the original shall govern. The original and each copy of the technical and financial proposal shall be prepared in indelible ink and shall be signed by the authorized Consultant’s representative. The representative’s authorization shall be confirmed by a written power of attorney accompanying the proposals. All pages of the technical proposal shall be initialed by the person or persons signing the proposal.

4.3. The proposal shall contain no interlineations or overwriting except as necessary to correct errors made by the Consultants themselves. Any such corrections shall be initialed by the person or persons signing the proposal.

4.4. The completed technical and financial proposals shall be delivered on or before the time and date stated in the Data Sheet.

4.5. The proposals shall be valid for the number of days stated in the Data Sheet from the date of its submission. During this period, you shall keep available the professional staff proposed for the assignment.

4.6. The Client shall make its best effort to complete negotiations at the location stated in the Data Sheet within this period.

#### **5. WITHDRAWAL OF PROPOSAL**

5.1. Proposals may be withdrawn by written or telegraphic notice received at any time prior to award.

Proposals may be withdrawn in person by a proposer or his authorized

representative, provided his identity is made known and he signs a receipt for the withdrawal of the offer prior to award.

## 6. MODIFICATION OF PROPOSAL

6.1. Except as otherwise decided by the Client, modifications to proposals must be received not later than the closing date and time specified for receipt of proposals made in response to the request for proposals.

Modifications must be made by written or telegraphic notice which clearly identifies the proposals being modified, the nature of the modification, the reference of the request for proposals as well as the closing date and time for receipt of proposals. Modifications must be delivered in writing to the office designated for receipt of proposals with the reason(s) for the modifications.

## 7. PROPOSAL EVALUATION

7.1.A two-stage procedure shall be adopted in evaluating the proposals. The technical evaluation shall be carried out first, followed by the financial evaluation.

Firms shall be ranked using a combined technical/financial score, as indicated below.

### TECHNICAL PROPOSAL

7.2. The evaluation committee appointed by the Client shall carry out its evaluation, applying the evaluation criteria and point system specified in the Data Sheet. Each responsive proposal shall be attributed a technical score (*S<sub>t</sub>*). Firms scoring less than 70 points shall be rejected and their financial proposals returned unopened.

### Preliminary Evaluation

S/No.	CRITERIA	REMARKS
1.	Certificate of registration	Mandatory
2.	Valid Tax Compliance Certificate	Mandatory
3.	Completely filling confidential business questionnaire, form SD1 & 2 provided in this tender	Mandatory
4.	Copies of Annual Return Forms, filed by Limited Companies, the Business Names for business names (sole trader and partnerships), and a stamped receipt which bears the Accounts Stamp from the Registrar of Companies/Societies; CR12; Partnership Deed & National IDs/ Passports copies of directors indicating their shareholding	Mandatory

## Technical evaluation

Both copies of certificates & CVs as well as award letters/ contracts/ service orders should be provided and shall be certified by Commissioner for Oaths. The numbers of points given under each of the technical evaluation criteria are:-

CRITERIA		WEIGHT
<b>1</b>	<b>RELEVENT EXPERIENCE OF THE CONSULTANCY AND TECHNICAL CAPABILITIES TO CARRY OUT THE ASSIGNMENT</b>	
a	Brief description of the following: Staff have a combined 35 years of experience in tax consultancy and tax planning- 1 Mark Consultants are Masters degree holders and have worked for various reputable firms. Members of staff capable are 15 in number - 1 mark Firm has 15 year experience-1 mark	3
b	Similar consultancies done in the last five years within the public sector	
	6 projects and above-12 marks	
	5 Projects-10 Marks	
	4 Projects -8 Marks	
	3Projects-6 Marks	
	2Projects- 4 marks	
	1Project-2 Marks	
	0 Project - 0 Marks	
	Must avail evidence of actual work carried required to set full marks	
	<b>Sub total</b>	<b>12</b>
	<b>Sub total</b>	<b>15</b>
<b>2.</b>	<b>APPROACH AND METHODOLOGY</b>	
a.	Understanding of and conformity to the TORs	5 marks
	Consultant's additional suggestions and proposals on the TORs	5 marks
		<b>10</b>
b.	Appropriateness of the methodology, and completeness of the description in relation to the TORs, particularly with respect to the outlined objectives	<b>25</b>
c	Equipment and physical resources to carry out the assignment	<b>5</b>
	<b>Sub Total</b>	<b>40</b>
<b>3.</b>	<b>HUMAN RESOURCE CAPACITY- Provide certificate &amp; CV copies</b>	
a.	Lead Consultant: Accredited Tax expert; Masters degree in relevant field; Over 15 years experience; Must have handled similar tasks within the past 5 years	Qualifications-5 Marks Experience-7 Marks 2 assignments- 4 Marks
		<b>20</b>
b.	Key staff: Auditor and tax consultant, an Advocate of	Qualifications-6 Marks
		<b>25</b>

CRITERIA			WEIGHT
	Kenya, a Certified Public Accountant and tax advisor in public institutions, and an expert in matters corporate governance Minimum degree in relevant field and must have handled similar tasks within the past 5 years	Experience-6 Marks 2 assignments-13 Marks	
	<b>Sub total</b>		<b>45</b>
	<b>GRAND TOTAL</b>		<b>100</b>

**NB**

In order to qualify for further consideration the nominee Consultant must attain a minimum score of 70 points. Due diligence will be conducted on the successful proposal where necessary

**FINANCIAL EVALUATION**

7.3. The Evaluation Committee will determine whether the financial proposals are complete (i.e. whether the consultant has costed all the items of the corresponding Technical Proposal). The cost of any unpriced items shall be assumed to be included in other costs in the proposal and in such cases, the total price of the Financial Proposal as submitted shall prevail.

The formulae for determining the Financial Score (Sf) shall be as follows:-  $Sf = 100 \times Fm/F$  where Sf is the financial score; Fm is the lowest priced financial proposal and F is the price of the proposal under consideration. 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;  $T + P = 1$ ). The combined technical and financial score, S, is calculated as follows:-  $S = St \times T \% + Sf \times P \%$ . The firm achieving the highest combined technical and financial score will be recommended for award.

**LOI DATA SHEET**

**LOI DATA SHEET**

LOI

Clause

#

**DESCRIPTION**

**The Assignment name is:** Consultancy Services for Review of outstanding Tax Arrears

**Description and the objective of the Assignment:** the overall objective of the assignment is to Review outstanding Tax Arrears of the Corporation

**2.1. The Documents are:** [ (TOR) Terms Of Reference] for Consultancy services to review outstanding tax arrears for the Corporation

**3.7. Tax liability, insurances;** Consultants will be required to meet all the existing duty and tax regulations and their application in Kenya.

**4.1. Submission of proposals:** All technical proposals shall be placed in an envelope clearly marked “Technical Proposal,” and the financial proposals in one marked “Financial Proposal.” These two envelopes, in turn, shall be sealed in an outer envelope addressed to:-

Managing Director  
National Water Conservation & Pipeline Corporation  
P. O. Box 30173-00100,Nairobi Kenya  
clearly marked with:

**4.2. The number of copies of the proposal required is:** 2

**4.4. Date and time of proposal submission:**  
(22<sup>nd</sup> November 2017) at 12.00 pm (local time)

**4.5. Validity period (days, date):** (to be inserted as 120 days from the deadline for submission of proposals)

*Signed:*

Dr. (Eng.) Ali I. Hassan, PhD  
Ag. MANAGING DIRECTOR

## A) TERMS OF REFERENCE

### 1. INTRODUCTION

#### 1.1 BACKGROUND INFORMATION

National Water Conservation and Pipeline Corporation (NW/CPC) was established under the State Corporations Act Chapter 446 of the Laws of Kenya vide Legal Notice No. 270 of 24<sup>th</sup> June 1988 as an autonomous agency reporting to the then Ministry of Water Development and became operational on 1<sup>st</sup> July 1989. Currently, NW/CPC is in the process of transforming to National Water Harvesting and Storage Authority (WSA), whose mandates are as follows under the Water Act of 2016:-

- i. Developing state schemes and spearheading dam construction for water supplies, flood control and other multi-purpose uses, land drainage and construction of dykes;
- ii. Carrying out ground water recharge using flood water;
- iii. Developing new, retaining existing and expanding bulk water supply to water Service Boards and other Water Service Providers.

#### 1.2 VISION;

“To be the premier Authority in water infrastructure development and management in Africa and beyond”

#### 1.3 MISSION;

“To develop and manage national water works infrastructure towards enhancing water security, flood mitigation and storage for multipurpose use”

#### 1.4 CORE VALUES

The Corporation’s core values are: **STRAIGHT**

- Sustainability:
- Transparency:
- Reliability:
- Accountability:
- Innovation:
- Growth oriented:
- Honesty:
- Teamwork:

The following are our key strategic issues;

- i) Sufficient Water and infrastructure development and management
- ii) Protect/ save lives and property from the effects of floods
- iii) Advice the CS on Flood Control Policy
- iv) Compliance with statutory requirements
- v) Institutional capacity building
- vi) Resource Mobilization

## 1.5 OBJECTIVES OF THE CONSULTANCY

1.5.1 The tax review system observed in this exercise will among others serve as an important role in advising your organization on the mode and scope of classifying various tax heads appropriately for purposes of paying and otherwise serving as a precaution on the effects of tax audit recently done by another arm of the government in this case the Large Tax Office. The aim therefore being to prioritize saving this organization Millions of money through proper planning stated herewith.

1.5.2 Review will aim at advising this organization on the practice and methods of tax planning in order to avoid cumulative penalties and interest, to save it from the statutory existence.

1.5.3 The comprehensive review of the tax system will examine and make recommendations to create a tax structure that will position this organization to deal with the demographic, social, economic and environmental challenges of tax audits and tax assessments on economic and social outcomes. The review will consider:

1.5.4 The appropriate balance of tax emanating from previous tax assessments;

1.5.5 Improvements to the adherence with tax Acts as stipulated in our constitution.

1.5.6 Enhancing saving money on incomes that are generated by this organization which can be re-classified for purposes of tax planning.

1.5.7 Enhancing accountability and general tax compliance in various vote heads.

1.5.8 Simplifying the tax system, including consideration of appropriate administrative arrangements within.

1.5.9 Educating management on the best methods that other government bodies are benchmarking on.

1.5.10 The review should make coherent recommendations to reduce the

tax bill from Kes. 800 million to around Kes.200 million and therefore saving the parastatal around 600 millions Shillings. The incentives in this scope therefore aims at making sure the parastatal is fully compliant with various tax legislations.

1.5.11 Accounts department and management participation and skill formation.

1.5.12 Outline the methodology

1.5.13 Tax Procedure Act 2015 interpretation, amends and review.

1.5.14 Reducing tax and reducing the complexity and compliance costs.

1.5.15 The review will outline the mandate and scope of this public body as far as Income Taxes, VAT, Withholding Taxes, PAYE.

1.6 6. The review's recommendations should be to seek Tax exemptions where appropriate in line with specific tax guidelines.

1.5.16 The review should take into account what is rightfully payable and seek tax remissions where possible in this design.

1.5.17 The tax review will aim to create harmony with Kenya Revenue Authority and aim to put the organization in good books.

1.5.18 The review will also incorporate consideration of all relevant tax incentives.

## **1.7 COMPOSITION AND CONSULTATION**

1.7.1 The review panel will be chaired by a tax expert and incorporates: an auditor and tax consultant, an Advocate of Kenya, a Certified Public Accountant and tax advisor in public institutions, and an expert in matters corporate governance.

1.7.2 The review panel will be supported by a working group from within the Organization, mainly Finance and Accounting Departments.

1.7.3 The Chair may task members of the review panel to oversee programs of work related to their field of expertise.

1.7.4 The review panel will consult the officers at Kenya Revenue Authority on the authenticity of the assessments.

1.7.5 The panel will therefore seek cooperation and guidance from the

organization.

## **1.8 STRUCTURE AND TIMING:**

1.8.1 The review process will be conducted in several stages. It will involve tuckling all the issues raised both systematically and wholesomely for speedy conclusion.

1.8.2 The review panel is expected to provide a final report to the management with urgency.

## **1.9 EXPECTED REMUNERATIONS AND TERMS**

The remuneration and costs to this work will be as per the negotiation and the composition will be:-

- Audit Review
- Tax Interpretations, Stationery, and consultancy
- Disbursements and tax
- Appeals, Objections charges and Others

## **1.10 WORK PLAN**

- review documents, sales, purchases, expenses, payroll to confirm analysis of tax demand by KRA
- Check interpretation by KRA against the relevant laws
- Verify qualifying exemptions have been fully utilized
- Prepare a case and conduct negotiations with KRA
- Review the system and advice on practice and methods of tax saving
- Recommend improvements to existing structure, processes and methodologies to ensure compliance going forward
- Educate management and appropriate bench marking

## **1.11 SCOPE OF WORK**

The scope of work will involve:

- Review and revision of tax assessment by KRA from Kes 833,938,639 to a favourable amount the Corporation can settle. This will require expertise of the tax law and the legal provisions that affect the said assessments.
- Documents to be provided by NWCPC in defence of the Assessment adjustments. This will therefore require maximum cooperation on the side of the organization

- Application to the tribunal for remission of Penalties and Interest, this will be done adhering to the various timelines set under the law.
- Apply and secure tax exemptions for NWCPC. Being a parastatal gazetted under the law there are certain privileges and exemptions that should be given on the investment incomes.

## **1.12 DELIVERABLES**

**During the Assignment, the Consultant will deliver:**

- Detailed report to the management
- Revised tax assessment as will be agreed
- A comprehensive document detailing the actual framework to be used by the organization in future to avoid situations like the one at hand.
- Tax planning methodologies in soft and hard copies
- Education materials for the entire Accounts Office.

## **1.13 REPORTING REQUIREMENTS AND FORMAT**

The Consultant shall be required to submit an inception report within 7 days of commencement and a draft final report to be discussed with the Client and a Final Report of the Consultancy.

All submissions must be in both hard and soft formats (one printed version with corresponding CD-ROM);

All narrative style written submissions and reports must be delivered in English version.

## **1.14 SUBMISSIONS**

If you have the required qualifications and are interested in this consultancy,

Please submit:

Your proposal including CV, proposed methodology, work plan and any other supporting attachments

Other information which demonstrates your qualifications for this specific assignment;

The Lump-Sum Fee which you propose. This Fee should be inclusive of ALL Government Taxes.

## **1.15 SELECTION PROCESS**

Submissions will be evaluated in consideration of the Criteria set out in this document.

The Basis of Award will be to the Firm who qualifies for further consideration and propose the lowest evaluated price.

### 1.16 TIME FRAME FOR THE CONSULTANCY

The assignment must be completed within the **shortest time possible** after signing the contract.

### 1.17 EXPECTED OUTPUTS

The consultant will be expected to quote for the services. On the basis of the consultancy, the following are the expected outputs

- Tax saving methods and practice-Documents
- Revised tax assessments on all the applicable tax heads
- Education material documents to compliment the efforts of the reduced assessments to henceforth reduce risk.
- Accountability of tax compliance on various tax heads
- Tax system review
- Improvements with adherence to various Tax Acts
- Organization structure review on various tax points

### 1.18 SUMMARY OF TOR AND SPECIFIC ACTIONS

	TERMS OF REFERENCE	SPECIFIC ACTIONS
1	Handle communication with KRA officials on matters concerning the tax assessment raised and have the tax matters raised comprehensively and technically resolved.	<ul style="list-style-type: none"> <li>• Review and reply all KRA communications on the preliminary findings</li> <li>• Technically evaluate all the preliminary findings with the aim of supporting the assessed areas to reduce the tax assessment</li> <li>• Organize meetings with the KRA officers to amicably resolve the tax matters</li> <li>• Represent the taxpayer at all tax forums relating to the preliminary tax findings</li> </ul>
2	Review past tax compliance omissions and resolve the same.	<ul style="list-style-type: none"> <li>• Review the Audited Financial statements and the source Accounting records for tax exposures</li> <li>• Prepare comprehensive tax exposure reports for the management</li> </ul>

	TERMS OF REFERENCE	SPECIFIC ACTIONS
		<ul style="list-style-type: none"> <li>• Check the Firms Pin status for tax liabilities since date of registration</li> <li>• Prepare a comprehensive report of the tax exposures for the period 1994-2016</li> <li>• Suggest mediation avenues of amicably resolving the resultant tax exposures</li> </ul>
3	Assess the level of tax compliance with all applicable taxes- Corporation Tax, VAT, Withholding Tax, Withholding VAT, Advance Tax	<ul style="list-style-type: none"> <li>• Undertake an organization wide review of tax compliance- business tax, tax incentives, allowable /disallowable expenses</li> <li>• Check the taxpayers adherence to VAT Act 2013</li> <li>• Check the taxpayers adherence to the withholding tax regulations</li> <li>• Check the taxpayers adherence to the advance tax regulations of the income tax act</li> </ul>
4	Offer guidance to the organization on how to treat wear and tear deduction vis a vis Depreciation of assets in deriving taxable income	<ul style="list-style-type: none"> <li>• Review the fixed assets of the organization to develop a comprehensive Fixed assets register</li> <li>• Prepare a Fixed assets schedule with the proper asset classification as per the IFRS</li> <li>• Undertake Wear and tear Allowance calculation as well as capital allowances</li> <li>• Prepare comprehensive tax computation for the period 1996-2006</li> </ul>
5	Advise the Organization of VAT practice and the fiduciary status as a tax collection agent and the resultant responsibilities and	<ul style="list-style-type: none"> <li>• Thorough review of the suppliers invoices for the period September 2014 to date for the supplies subject to VAT. Demarcation of taxable supplies and purchases for the period under review</li> <li>• Review of all the withholding VAT schedules remitted to KRA for omissions and inconsistencies</li> </ul>
6	Advise on withholding tax	<ul style="list-style-type: none"> <li>• Review all contractor and</li> </ul>

	TERMS OF REFERENCE	SPECIFIC ACTIONS
	accounting on contractual services, management and consultancy fees	<p>professional contracts for withholding tax exposures</p> <ul style="list-style-type: none"> <li>• Review the financial statements for management and consultancy charges and subject the same to tax</li> <li>• Understanding of double tax treaties, various tax rates,</li> </ul>
7	Advise the organization on the payroll treatment of non-cash benefits, travel allowances, pensions and their tax implications	<ul style="list-style-type: none"> <li>• Review the payroll for correct PAYE calculations</li> <li>• Check the petty cash payments, imprests and travel allowances for tax compliance</li> <li>• Review the non-cash benefits given to staff and directors for PAYE exposures</li> <li>• Review pre and post travel allowance clearances for PAYE compliance</li> <li>• Taxation of retirement benefits and available tax benefits for pension scheme membership</li> </ul>
8	Undertake tax computation based on audited Accounts and prompt filling of annual tax returns for the organization.	<ul style="list-style-type: none"> <li>• Comprehensive review of the Audited Financial statements for tax computation</li> <li>• Computation of Income tax liabilities of the company income based on the 6 tax income heads of: business income, interest income, rental income, investment income.</li> <li>• Derivation of the company's taxable income for the period 1995-2016</li> <li>• Comprehensive</li> </ul>
9	Conduct in-depth tax audits and health checks to ensure that the organization remits the correct tax to avoid tax exposures and future tax audit penalties and interest. Review what measures the organization could take to assure itself of value for money in carrying out the tax audit	<ul style="list-style-type: none"> <li>• Conduct in depth analysis of all the cash transactions of the firm for tax compliance</li> <li>• Prepare an internal tax review procedure and regulations check list for best practice</li> <li>• Prepare a comprehensive tax exposure report for the firm and assist the firm in settling the resultant taxes as per the tax regime</li> </ul>
10	Undertake a comprehensive tax	Train the Board members and staff on

	TERMS OF REFERENCE	SPECIFIC ACTIONS
	sensitization on all NWCPC staff on the existing tax regime- Income tax, VAT, withholding tax, withholding VAT	<p>the following tax topics:</p> <ul style="list-style-type: none"> <li>• Overview of taxation in Kenya- Income Tax Act and the Tax procedures Act 2016</li> <li>• Income tax tax/ corporation tax</li> <li>• Pay as you earn(PAYE) including the available tax incentives</li> <li>• Value added tax –VAT Act 2013 and the recent changes on the VAT</li> <li>• Capital gains tax and the implications on corporate and individual dealings</li> <li>• Withholding VAT and the responsibilities of the individual and the corporates</li> <li>• Instalment Tax provisions</li> <li>• Managing KRA Audits-triggers of KRA audits and what to do before, during and after KRA audits</li> <li>• Effective tax management and compliance</li> <li>• Tax Planning ideas</li> <li>• Emerging tax issues-Itax, Alternative dispute resolution (ADR),Tax Information sharing, increased powers of the commissioner to appoint withholding tax agents, withholding tax on rent</li> </ul>
11	Undertake a 1 year post audit tax health check to ensure that the Organization does not relapse in the tax exposure.	<ul style="list-style-type: none"> <li>• Monthly review of VAT returns to ensure compliance with the VAT act</li> <li>• Monthly review of the Payroll for compliance with the Income tax act</li> <li>• Quarterly review and filing of instalment tax returns as per the income tax</li> <li>• Fortnight review of the withholding VAT schedules in compliance with the VAT withholding agency regulations</li> </ul>

**A) APPENDIX 1. FORMATS FOR TECHNICAL PROPOSAL**

**I) TECHNICAL PROPOSAL**

FROM:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

TO:

**MANAGING DIRECTOR,NWCPC**

\_\_\_\_\_  
\_\_\_\_\_

Sir/Madam:

**Subject: Consultancy Services for Review of Outstanding Tax Arrears**

Regarding Technical Proposal

I/We \_\_\_\_\_ Consultant/Consultancy firm herewith enclose a Technical Proposal for selection of my/our firm/organization as Consultant for Review of outstanding Tax arrears OF KSHS 833,938,639.00 OF THE CORPORATION.

Yours faithfully,

Signature \_\_\_\_\_  
(Authorized Representative)

Full Name \_\_\_\_\_  
Designation \_\_\_\_\_  
Address \_\_\_\_\_

**II) BRIEF DESCRIPTION OF FIRM'S ABILITY TO CARRY OUT ASSIGNMENT;  
INCLUDING TECHNICAL CAPABILITIES AND RESOURCES AND EXPERIENCE**

**III) COMMENTS AND SUGGESTIONS OF CONSULTANTS ON THE TERMS OF  
REFERENCE AND ON INFORMATION, SERVICES AND FACILITIES TO BE  
PROVIDED BY THE CORPORATION.**

On the terms of reference:

.....  
.....

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

.....  
.....

**IV) DESCRIPTION OF THE METHODOLOGY AND SURVEY SCHEDULE FOR  
UNDERTAKING THE ASSIGNMENT, PARTICULARLY WITH RESPECT TO  
THE OUTLINED OBJECTIVES**

Describe the methodology to be used in not more than two A4 size pages times new roman font size 12 and 1.5 spacing. Tenderers should provide full details of survey methodology, tools, report structure and schedule.

**V) TEAM COMPOSITION AND TASK ASSIGNMENTS**

S/No.	Name	Position	Task Assigned

## FIRM'S REFERENCES

### Relevant Services Carried Out in the Last Five Years Which Best Illustrate Qualifications

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

Assignment Name:		Country:	
Location within Country:		Professional Staff Provided by Your Firm:	
Name of Client:		Nº of Staff:	
Address:		Nº of Months:	
Start (Month/Year):	Date	Completion (Month/Year):	Date
		Approx. Value of Services (in Kshs):	
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:			

Consultants' Name:

**FOR PROPOSED KEY STAFF:**

**FORMAT OF CURRICULUM VITAE (CV)**

Proposed Position: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Name of Staff: \_\_\_\_\_

Profession: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Years with Firm: \_\_\_\_\_ 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 up to half a page.]

**Education:**

[Summarize college/university and other specialized education of staff member, giving names of schools, dates attended and degrees obtained. Use up to a quarter 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 organization, title of positions held and location of assignments.

For experience in *last ten years*, also give types of activities performed and client references, where appropriate. Use up to three-quarters of a page.]

**Languages:**

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

**Certification:**

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

\_\_\_\_\_  
*Signature of Staff Member or authorized official from the firm* Day/Month/Year

Date: \_\_\_\_\_

## B) APPENDIX 2. FORMATS FOR FINANCIAL PROPOSAL

### FINANCIAL PROPOSAL

FROM:

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TO:

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Sir/Madam:

**Subject: Consultancy Services for Review of Outstanding Tax Arrears**

Regarding Price Proposal

I/We \_\_\_\_\_ Consultant/Consultancy firm herewith enclose the Price Proposal of my/our firm/organization as Consultant for \_\_\_\_\_.

Yours faithfully,

Signature \_\_\_\_\_  
(Authorized Representative)

Full Name \_\_\_\_\_  
Designation \_\_\_\_\_  
Address \_\_\_\_\_

Schedule of Activities

S/No	Name of Activity	Unit price	Total Amount
1			
2			
3			
4			
5			

## SAMPLE OF CONTRACT

### I. CONTRACT

**THIS CONTRACT** made the .....day of .....2017 between **National Water Conservation & Pipeline Corporation**, a state Corporation established under the State Corporation's Act and of P O Box 30173-00100 Nairobi (hereinafter called "The Corporation") of the one part and ..... a liability company incorporated in Kenya operating a business of consultancy services (hereinafter called "The Consultant") of the other part.

**WHEREAS** the Corporation invited Requests for proposal vide RFP No. **NWC/ONT/007/2017-2018** for Provision of **Consultancy Services for Review of Outstanding Tax Arrears** and has accepted (hereinafter referred to as "the Services") and has accepted a Proposal by the Consultant for the supply of those services in the sum of **Kshs.....** all inclusive (hereinafter called "The Contract Price").

#### **NOW THIS CONTRACT WITNESSETH AS FOLLOWS:**

1. In this Contract words and expressions shall have the same meaning as are respectively assigned to them in the Conditions of Contract referred to.
2. The following documents shall be deemed to form and be read and construed a part of this contract, viz.:
  - a) The Proposal submitted by the Consultant
  - b) The Terms of Reference as contained in the Request for Proposal
  - c) The General Conditions of Contract
  - d) The Special Conditions of Contract
  - e) The Corporation Notification of Award
  - f) The Consultant's Acceptance of the Award
  - g) Any other official document deemed relevant
3. In consideration of the payments to be made by the Corporation to the Consultant as hereinafter mentioned, the Consultant hereby covenants with the Corporation to provide the services in conformity in all respects with the provisions of the Contract.
4. The Corporation hereby covenants to pay the Consultant in consideration of the provision of the services, the Contract Price as may become payable under the provisions of the contract at the times and in the manner prescribed by the Contract.

**IN WITNESS** whereof the parties hereto have caused this Contract to be executed in accordance with the Laws of Kenya on the day and year first above written.

**Signed for and on behalf of the National Water Conservation & Pipeline Corporation**

**Name:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**Signature:** \_\_\_\_\_

In the presence of

**Name:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**Signature:** \_\_\_\_\_

**Signed for and on behalf of** \_\_\_\_\_

**Name:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**Signature:** \_\_\_\_\_

In the presence of

**Name:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**Signature:** \_\_\_\_\_

## **GENERAL CONDITIONS OF CONTRACT**

### **1. Definitions**

1.1 In this Contract, the following terms shall be interpreted as indicated:

- (a) “The Contract” means the agreement entered into between the Corporation and the Consultant, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- (b) “The Contract Price” means the price payable to the Consultant under the Contract for the full and proper performance of its contractual obligations.
- (c) “The Services” means the consultancy services including any documents, which the Consultant is required to offer to the Corporation under this contract.
- (d) “The Corporation” means National Water Conservation & Pipeline Corporation.
- (e) “The Consultant” ...(Name of the Consultant)

### **2. Application**

2.1 These General Conditions shall apply to the extent that they are not superseded by provisions of other parts of the contract.

### **3. Standards**

3.1 The services offered under this Contract shall conform to the standards Specified under this contract.

### **4. Use of Contract Documents and Information**

4.1 The Consultant shall not, without the Corporation’s prior written consent, disclose the Contract, or any provision thereof, or any specification, plan, drawing, pattern, sample or information furnished by or on behalf of the Corporation in connection therewith, to any person other than a person employed by the Consultant in the performance of the Contract.

4.2 The Consultant shall not, without the Corporation’s prior written consent, make use of any document or information enumerated in paragraph 4.1 above.

4.3 Any document, other than the Contract itself, enumerated in paragraph 4. shall remain the property of the Corporation and shall be returned (all copies) to the Corporation completion of the

Consultant's performance under the Contract if so required by the Corporation.

## **5 Delivery and Documents**

5.1 Delivery of the services and documents shall be made by the Consultant in accordance with the terms specified by the Corporation in this contract.

## **6 Payment**

6.1 The method and conditions of payment to be made to the Consultant under this contract shall be specified in Special Conditions of Contract.

6.2 Payments shall be made by the Corporation as specified in the Contract

## **7 Prices**

7.1 Prices charged by the Consultant for services performed under the contract shall not, with the exception of any price adjustments authorized in Special Conditions of Contract, vary from prices quoted by the Consultant in its quotation documents.

## **8 Assignment**

8.1 The Consultant shall not assign in whole or in part, its obligations to perform under this contract, except with the Corporation's prior written consent.

## **9 Termination for Default**

9.1 The Corporation may, without prejudice to any other remedy for breach of contract, by written notice of default sent to the Consultant, terminate the contract in whole or in part:

- a) If the Consultant fails to render any or all of the services within the period(s) specified in the Contract, or within any extension thereof granted by the Corporation.
- b) If the Consultant fails to perform any other obligation[s] under the contract.
- c) If the Consultant, in the judgment of the Corporation has engaged in corrupt and or fraudulent practices in competing for or in executing the contract.

9.2 In the event the Corporation terminates the contract in whole or in part, it may procure, upon such terms and in such manner as it deems appropriate, services similar to those not rendered, and the Consultant shall refund to the Corporation any unutilized amount for the unexpired duration of contract.

## **10 Termination for Insolvency**

The Corporation may at any time terminate the contract by giving written notice to the Consultant if the Consultant becomes bankrupt or otherwise insolvent. In this event, termination will be without compensation to the Consultant, provided that such termination will not prejudice or affect any right of action or remedy, which has accrued or will accrue thereafter to the Corporation.

## **11 Termination for convenience**

The Corporation may by written notice sent to the Consultant terminate the contract in whole or in part, at any time for its convenience. The notice of termination shall specify that the termination is for the Corporation's convenience, the extent to which performance of the Consultant of the contract is terminated and the date on which such termination becomes effective.

## **12 Resolution of Disputes**

12.1 The Corporation and the Consultant shall make every effort to resolve the dispute by direct informal negotiations any disagreement or dispute arising between them under or in connection with the contract

12.2 If after thirty [30] days from the commencement of such informal negotiations

both parties have been unable to resolve amicably a contract dispute, either party may refer the matter to arbitration in accordance with the provisions of Arbitration Act, Cap 49, Laws of Kenya

## **13 Language and Law**

The laws of Kenya shall govern the contract and the language of the contract shall be English language.

## **14 Confidentiality**

The Consultant shall not at any time publish or cause to be published orally or in writing to any other person whatsoever (including to the public or any section of the public) any information concerning this Agreement or any other information of any nature whatsoever concerning the Client or any other matter regarding the internal affairs of the Client, whether such information or matter is stated to be confidential or not, without the express written permission of the Client;

The Consultant and its personnel and/agents shall not, during the term of this Contract disclose any proprietary or confidential information relating to this Contract or the Client's business or operations without the prior written consent of the Client.

## 15 Force Majeure

- 15.1 For the purposes of this Contract, “Force Majeure” means an event which is beyond the reasonable control of a Party and which makes a Party’s performance of its obligations under the Contract impossible or so impractical as to be considered impossible under the circumstances.
- 15.2 Any period within which a Party shall, pursuant to this Contract complete any action or task shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

## 16 Notices

- 16.1 Any notice, request, or consent made pursuant to this Contract shall be in writing and shall be deemed to have been made when delivered in person to an authorized representative of the Party to whom the communication is addressed or when sent by registered mail, telex, telegram or facsimile to such Party at the address specified in this contract.
- 16.2 A notice shall be effective when delivered or on the notice’s effective date whichever is earlier.

## SPECIAL CONDITIONS OF CONTRACT

Special Conditions (SC) of this contract shall supplement the General Conditions (GC) of the contract, whenever there is a conflict between the GC and the SC, the provisions of the SC herein shall prevail over those in GC.

- 1.1 (a) This agreement shall take effect on the..... (“the Commencement Date”) and shall remain in full force and effect up to.....unless earlier terminated in accordance with this contract.
- 1.2 (l) The services shall be as stipulated in the Request for Proposal. If the services to be rendered increase in terms of increase of scope of services related to or arising from this contract, the parties would be at liberty to negotiate new terms and conditions applicable to the same but the contract price shall be within the limits dictated by the Public Procurement and Asset Disposals Act, 2015
- 1.3 Payment will be channelled to the Consultant as follows
- ✓ 40% upon Signing of the contract-mobilization fee
  - ✓ 40% upon submission of KRA Reports, Appeals and Tribunal, Exemptions Applications and filings
  - ✓ 20% upon Completion of the task

**CONFIDENTIAL BUSINESS QUESTIONNAIRE**

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

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

*Part 1 – General*

Business Name .....

Location of business premises; Country/Town.....

Plot No..... Street/Road .....

Postal Address..... Tel No.....

Nature of Business.....

Current Trade Licence No..... Expiring date.....

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

Name of your bankers.....

Branch.....

*Part 2 (a) – Sole Proprietor*

Your name in full..... Age.....

Nationality..... Country of Origin.....

Citizenship details .....

*Part 2 (b) – Partnership*

*Give details of partners as follows:*

	<i>Name in full</i>	<i>Nationality</i>	<i>Citizenship Details</i>	<i>Shares</i>
1	.....	.....	.....	.....
2	.....	.....	.....	.....
3	.....	.....	.....	.....

FORM SD1

SELF DECLARATION THAT THE PERSON/TENDERER IS NOT DEBARRED IN THE MATTER OF THE PUBLIC PROCUREMENT AND ASSET DISPOSAL ACT 2015.

I, .....of P. O. Box ..... being a resident of

..... in the Republic of ----- do hereby make a statement as

follows:-

1. THAT I am the Company Secretary/ Chief Executive/Managing Director/Principal Officer/Director of .....  
..... (insert name of the Company) who is a Bidder in respect of **Tender No.** ..... for .....(insert tender title/description) for .....( insert name of the Procuring entity) and duly authorized and competent to make this statement.

2. THAT the aforesaid Bidder, its Directors and subcontractors have not been debarred from participating in procurement proceeding under Part IV of the Act.

3. THAT what is deponed to hereinabove is true to the best of my knowledge, information and belief.

.....  
(Title) (Signature) (Date)

Bidder Official Stamp

FORM SD2

**SELF DECLARATION THAT THE PERSON/TENDERER WILL NOT ENGAGE IN ANY CORRUPT OR FRAUDULENT PRACTICE.**

I, .....of P. O. Box ..... being a resident of

..... in the Republic of ----- do hereby make a statement as follows:-

1. THAT I am the Chief Executive/Managing Director/Principal Officer/Director of .....  
..... (insert name of the Company) who is a Bidder in respect of **Tender No.** ..... for .....(insert tender title/description) for .....( insert name of the Procuring entity) and duly authorized and competent to make this statement.

2. THAT the aforesaid Bidder, its servants and/or agents /subcontractors will not engage in any corrupt or fraudulent practice and has not been requested to pay any inducement to any member of the Board, Management, Staff and/or employees and/or agents of .....( insert name of the Procuring entity) which is the procuring entity.

3. THAT the aforesaid Bidder, its servants and/or agents /subcontractors have not offered any inducement to any member of the Board, Management, Staff and/or employees and/or agents of .....(name of the procuring entity)

4. THAT the aforesaid Bidder will not engage /has not engaged in any corrosive practice with other bidders participating in the subject tender

5. THAT what is deponed to hereinabove is true to the best of my knowledge information and belief.

.....  
(Title) (Signature) (Date)  
Bidder's Official Stamp