



**THIKA WATER AND SEWERAGE SERVICES
COMPANY LIMITED**

TENDER NO. THIWASCO/049/2018-2019

Provision of consultancy services for tariff study

**THIKA WATER AND SEWERAGE SERVICES
COMPANY LIMITED
P.O. BOX 6103-01000
THIKA**

**CLOSING DATE
14th JANUARY 2019**

TABLE OF CONTENTS

	Page
SECTION I - TENDER NOTICE	3
SECTION II - INFORMATION TO CONSULTANTS.....	5
SECTION III - TERMS OF REFERENCE.....	13
SECTION IV - TECHNICAL PROPOSAL.....	18
SECTION V - FINANCIAL PROPOSAL.....	21
SECTION VI - CONFIDENTIAL BUSINESS QUESTIONNAIRE	23-24

SECTION I -

TENDER NOTICE

TENDER NUMBER: THIWASCO /049/2018-2019

THIKA Water and Sewerage Services Company invites qualified firms to submit proposals for provision of consultancy services for tariff study

TENDER NO	DESCRIPTION OF /SERVICES	REMARKS
THIWASCO 049/2018-2019	Provision of consultancy services for tariff study	open

Interested and eligible firms may inspect and obtain Request for Proposal Documents from Procurement Section upon payment of a non-refundable fee of **Kshs1000.00** per set of Tender Document payable in cash or bankers cheque. Documents can also be viewed and downloaded from the company's website: www.thikawater.co.ke free of charge.

Completed tender documents in plain sealed envelopes indicating the Tender No. without identifying the sender should be addressed to:-

**THE MANAGING DIRECTOR
THIKA WATER AND SEWERAGE SERVICES COMPANY
LIMITED
P.O. BOX 6103-01000,
THIKA**

Or placed in the tender box at our Head Office, **Thika Water And Sewerage Company Ltd, along Haile Selassie Avenue**, so as to reach not later than **14th January 2019**

Table of Contents

	Page
2.1	Introduction..... 5
2.2	Clarification and amendments to the RFQ documents..... 6
2.3	Preparation of proposals..... 6
2.4	Financial proposal..... 7
2.5	Submission receipt and opening of proposals 8
2.6	Evaluation of proposals (General)..... 9
2.7	Evaluation of Technical proposals..... 9
2.8	Opening and evaluation of Financial proposals..... 10
2.9	Award of Contract..... 11
2.10	Confidentiality..... 12
3.0	Introduction..... 13
3.1	General Objectives..... 14
3.2	Specific Objectives..... 14
3.3	Scope of Consultancy..... 15
3.4	Output and Objectives..... 16
3.5	Duration..... 16
3.6	Team Composition..... 16
3.7	Input by the consultant..... 17
3.8	Equipment, logistics and facilities..... 17
4.0	Notes on the preparation of the technical proposal..... 18
4.1	Firms References..... 18
4.2	Methodology and Task Assignment..... 19
4.3	Team Composition and Task Assignment..... 19
4.4	Format of Curriculum Vitae (C.V) for proposed professional staff...19
5.0	Notes on preparation of the Financial Proposal.....21
5.1	Financial Proposal Submission form..... 21
5.2	Summary of Charges.....22
6.0	Confidential Business Questionnaire.....23-24

SECTION II - INFORMATION TO CONSULTANTS

2.1 Introduction

- 2.1.1 Thika Water and Sewerage Services Company will select an individual consultant among those invited to submit proposals or those who respond to the invitation for proposals in accordance with the method of selection detailed under this section and consistent with the regulations.
- 2.1.2 The consultants are invited to submit a technical proposal and a financial proposal for the services required for the assignment stated in the letter of invitation (Section I)
- 2.1.3 In the assignment where the procuring entity intends to apply standard conditions of engagement and scales of fees for professional services, which scale of fees will have been approved by a relevant authority, a technical proposal only may be invited and submitted by the consultants. In such a case the highest ranked individual consultant in the technical proposals shall be invited to negotiate a contract on the basis of the set scale of fees. The technical proposals will be the basis for contract negotiations and ultimately for a signed contract with the selected individual consultant.
- 2.1.4 The consultants must familiarize themselves with local conditions as regards the assignment and take them into account in preparing their proposals. To obtain adequate information on the assignment and on the local conditions, consultants are encouraged to liaise with the procuring entity regarding any information that they may require before submitting a proposal.
- 2.1.5 The client will provide the inputs and services specified in the special conditions of contract needed to assist the individual consultant to carry out the assignment.
- 2.1.6 The cost of preparing the proposal and negotiating the contract including any visit to the procuring entity are not reimbursable as a direct cost of the assignment. The procuring entity is not bound to accept any of the proposals submitted.

2.1.7 The procuring entity's employees, committee members, board members and their relative (spouse and children) are not eligible to participate in the tender.

2.2 Clarification and amendment to the RFP documents

2.2.1 Individual consultant may request clarification of any of the RFP documents not later than Seven (7) days before the deadline for the submission of the proposals. Any request for clarification must be sent in writing by post, or email to the procuring entity's address indicated in the special conditions of contract. The procuring entity will respond by post, or email to such requests and will send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to all individual consultants invited to submit proposals.

2.2.2 At any time before the deadline for submission of the proposals, the procuring entity may for any reason; either at its own initiative or in response to a clarification requested by an intended individual consultant amend the RFP. Any amendment shall be issued in writing, fax or email to all invited individual consultants and will be binding on them. The procuring entity may at its discretion extend the deadline for the submission of the proposals.

2.2.3 Clarification of tenders shall be requested by the tenderer to be received by the procuring entity not later than 7 days prior to the deadline for submission of tenders.

2.2.4 The procuring entity shall reply to and clarifications sought by the tenderer within 3 days of receiving the request to enable the tenderer to make timely submission of its tender.

2.3 Preparation of proposals

2.3.1 The individual consultant's proposal shall be written in English language.

2.3.2 In preparing the Technical proposal, the individual consultants are expected to examine the documents consisting the RFP in detail. Material deficiencies in providing the information requested may result in rejection of a proposal.

2.3.3 While preparing the Technical proposal, the individual consultant must give particular attention to the following:

- (a) If an individual consultant considers that he/she does not have all the expertise required for the assignment he/she may suggest in the proposals other individual(s) who will assist in the assignment but they will not be party to the contract for the purpose of the performance of the assignment. An individual consultant will not propose other individual consultants invited to submit proposals for the assignment. Any individual consultant in contravention of this requirement shall automatically be disqualified.
- (b) For all the staff who will be involved in the exercise of the proposals to consultant must indicate their responsibility in the assignment and also the staff time as necessary.
- (c) The curriculum vitae (CV) of the staff proposed must be submitted with the proposal.

2.3.4 The Technical proposal shall provide the following information;

- (a) The individual consultants CV and a brief of any recent experience of assignment of a similar nature. For each assignment the brief should indicate the profiles of staff involved, contract amount and the individual consultant's involvement.
- (b) Any comments or suggestions on the Terms of Reference and a list of service and facilities requested to be provided by the procuring entity.
- (c) A description of the methodology and work plan for performing the proposed assignment.
- (d) Company profile.
- (e) Any additional information requested in the special conditions of contract.

2.3.5 The Technical proposal shall be separate from the financial proposal and shall not include any financial information.

2.4 **Financial proposal**

2.4.1 In preparing the financial proposal, the individual consultants are expected to take into account the time required in completing the assignment as outlined in the RFP documents. The financial proposal

will therefore be quoted in fees per day or month. The financial proposal may also include other costs as necessary, which will be considered as reimbursable.

2.4.2 The Financial proposal should include the payable taxes.

2.4.3 The fees shall be expressed in Kenya Shillings.

2.4.4 The Financial proposal must remain valid for 120 days after the submission date. During this period the individual consultant is expected to keep available at his own cost any staff proposed for the assignment. The procuring entity will make best efforts to complete negotiations within this period. If the procuring entity wishes to extend the validity period of the proposals, the consultants who do not agree, have the right not to extend the validity of their proposals.

2.4.5 The financial proposal must comply with the law governing the profession of the consultant.

2.5 Submission, Receipt and opening of proposals

2.5.1 The technical proposal and the financial proposal (if required) shall be prepared in indelible ink. It shall contain no interlineations or overwriting, except as necessary to correct errors made by the individual consultants. Any such corrections must be initialed by the individual consultant.

2.5.2 For each proposal the individual consultants shall prepare the proposals in the number of copies indicated in the special conditions of contract. Each Technical proposal and financial proposal shall be marked "ORIGINAL" or "COPY" as appropriate. If there are any discrepancies between the original and the copies of the proposal, the original shall govern.

2.5.3 The original and all copies of the Technical proposal shall be placed in a sealed envelope clearly marked "TECHNICAL PROPOSAL", and the original and all copies of the financial proposal in a sealed envelope duly marked "FINANCIAL PROPOSAL". Both envelopes shall be placed in an outer envelope and sealed. This outer envelope shall bear the procuring entities address and other information

indicated in the appendix to the instructions to consultants and clearly marked “DO NOT OPEN before, **14th January 2019 at 12.00 noon**”

- 2.5.4 The completed Technical and Financial proposals must be delivered at the submission address on or before the time and date of the submission of the proposals indicated in the appendix to the instructions to consultants. Any proposals received later than the closing date for submission of proposals shall be rejected and returned to the individual consultant unopened. For this purpose the inner envelope containing the technical and financial proposals will bear the address of the individual consultant submitting the proposals.
- 2.5.5 After the deadline for submission of proposals the outer envelope and the technical proposals shall be opened immediately by the opening committee. The financial proposals shall be marked with the individual consultants number allocated at the time of opening the outer envelope and the technical proposals but shall remain sealed and in the custody of a responsible officer of the procuring entity up to the time set for opening them.

2.6 Evaluation of the Proposal (General)

- 2.6.1 From the time the proposals are opened to the time of the contract award, if any individual consultant wishes to contact the procuring entity on any matter relating to his/her proposal, he/ she should do so in writing at the address indicated in the appendix to the instructions to consultants. Any effort by an individual consultant to influence the procuring entity’s staff in the evaluation of proposals companion proposals or awards of contract may result in the rejection of the individual consultant proposal.
- 2.6.2 The proposal evaluation committee shall have no access to the Financial Proposal, which in any case will remain sealed, until the technical evaluation is concluded or finalized.

2.7 Evaluation of Technical Proposals

- 2.7.1 The evaluation committee appointed by the procuring entity to evaluate the proposals shall carry out the evaluation of technical

proposals following the criteria set out in the terms of reference based on the following points criteria

CRITERIA

a) Mandatory requirements

1. Submit the required number of copies of both the technical and financial proposals
2. Submit a copy of certificate of registration/ incorporation.
3. Submit a copy of valid tax compliance certificate
4. Submit a valid copy of business permit /license from relevant authorities to conduct business.
5. Serialize all pages for each bid submitted
6. Certified audited accounts for the last two years (2014-2015,2015-2016)

NB: only bidders who pass the above will proceed to technical evaluation.

b) Technical Evaluation criteria

(i)	Specific experience of the Consultant	20
(ii)	Adequacy of Proposed Work plan and methodology in responding to Client’s Terms of Reference	15
(iii)	Ten ears of professional experience in tariff study	10
(iv)	Qualifications and Competence of the key staff for the assignment	20
(v)	Physical facilities :provide details of physical address and contacts	5
(iv)	Provide company profile	10
(iv)	Provide a list of clients (4) and reference letters from these clients and attach certified copies of reference letters	20
	Total Points	100

Note:

- (i) **Bidders must meet all the mandatory requirements to qualify for general and technical requirements.**
- (ii) **To qualify for financial evaluation, the bidder must score a minimum of 70 points (70%)**

(iii) Any information provided by the bidder may be verified by the company as part of due diligence and if information is found to be false, the company may be disqualified

2.7.2 Any proposal which will be examined and found not to comply with all the requirements for submission of the proposals will be declared non responsive. All the proposals found to have complied with all the requirements for submission of proposal shall be declared responsive by the evaluation committee

2.7.3 Each responsive proposal will be given a technical score (ST). Any technical proposal which fails to achieve the total minimum score indicated in the appendix to the information to tenderers shall be rejected at this stage and will not proceed to the next stage of evaluation. The respective financial proposal will be returned to the individual consultant unopened.

2.8 Opening and Evaluation of Financial Proposals

2.8.1 After completion of the evaluation of Technical proposals the procuring entity shall notify the individual consultants whose proposal did not meet the minimum technical score or were declared non responsive to the RFP and terms of reference. The notification will indicate that their financial proposals shall not be opened and will be returned to them unopened after the completion of the selection process and contract award. At the same time, the procuring entity shall simultaneously notify the consultants who have secured the minimum technical score that they have passed the technical qualifications and inform them the date and time set by the procuring entity for opening their financial proposal. They will also be invited to attend the opening ceremony if they wish to do so.

2.8.2 The financial proposals shall be opened by the procuring entity in the presence of the individual consultants who choose to attend the opening. The name of the individual consultant, the technical score and the proposed fees shall be read out aloud and recorded. The evaluation committee shall prepare minutes of the opening of the financial proposals.

2.8.3 The formulae for determining the financial score (SF) unless an alternative formula is indicated in the appendix to the information to tenderers shall be as follows:

$Sf = 100 \times fm/f$ where
Sf is the financial score
Fm is the lowest fees quoted and
F is the fees of the proposal under consideration.

The lowest fees quoted will be allocated the maximum score of 100

2.8.4 The individual consultants proposals will be ranked according to their combined technical score (st) and financial score (sf) using the weights indicated in the appendix to the instructions to consultants. Unless otherwise stated in the appendix to the instructions to consultants the formule for the combined scores shall be as follows;

$$S = ST \times T\% + SF \times P\%$$

Where

S, is the total combined scores of technical and financial scores

St is the technical score

Sf is the financial score

T is the weight given to the technical proposal and

P is the weight given to the financial proposal

Note P + T will be equal to 100%

The individual consultant achieving the highest combined technical and financial score will be invited for negotiations.

2.9 Award of Contract

2.9.1 The contract will be awarded before commencement of negotiations. After negotiations are completed the procuring entity will promptly notify the other individual consultants that they were unsuccessful and return the financial proposals of the individual consultants who did not pass technical evaluation.

2.9.2 The selected individual consultant is expected to commence the assignment on the date indicated in the appendix to the information to consultants or any other date agreed with the procuring entity.

2.10 Confidentiality

2.11.1 Information relating to evaluation of proposals and recommendations of contract award shall not be disclosed to the individual consultants who submitted the proposal or to other persons not officially concerned with the process, until the winning individual consultant has been notified that he/she has been awarded the contract.

SECTION III - TERMS OF REFERENCE (TOR)

BACKGROUND INFORMATION

3.0 Introduction

The Thika Water and Sewerage Services Company Limited (THIWASCO) was established as a limited liability company in July 2009 under the Companies Act CAP 486 of the Laws of Kenya. The Company is solely owned by the County Government of Kiambu and has been engaged by Athi Water Services Board (AWSB) through a Service Provision Agreement (SPA) to provide water and sewerage services within the defunct Municipal Council of Thika and its environs.

The Company is one of the Water Service Providers (WSPs) in the Athi Water Services Board (AWSB) area that has been contracted to provide water and sewerage services in Thika under a service provision agreement. In discharging this mandate, the Company is expected to undertake the following responsibilities:

- (a) Provide quality and economical water and sewerage services to consumers;
- (b) Billing for water and sewerage services and ensure timely collection of dues;
- (c) Routinely maintain water and sewerage services infrastructure (depending on size of pipe);
- (d) Ensure that standards and licensing requirements set by Athi Water Service Board are complied with (as stipulated by SPA).

The population within THIWASCO's area of operation is currently estimated to be about 210,000 people. The current water production is estimated to be 13,140,000 m³ per annum, which is only accessible to about XXXXX of the population. The Company currently has 32,266 active water connections and 12,590 sewer connections.

According to the Water Services Regulatory Board (WASREB) guidelines the, Company is required to apply for a tariff review through a stakeholders' participation process.

The current tariff covers a period of three years (2016/17, 2017/18 and 2018/19). The Company is looking for a consultant to carry out a tariff study for a regular tariff adjustment covering three years' period, 2019/20 to 2021/22

3.1 General Objective

The Company aims at gradually improving cost recovery of operation and maintenance in the provision of water and sanitation services, as well as preparing for an increasing recovery of depreciation and capital cost in the long run.

The overall objective of the study is to submit proposals to the Regulator, WASREB for a review of the present tariff to ensure the sustainability of water supply and sewerage services to the customers. The study should also test the customer's ability and willingness to pay

3.2 Specific objectives

The specific objectives of conducting the tariff study are as follows:

- i. Review the revenue requirements and determine the actual cost of providing water and sewerage services based on full cost recovery principal.

- ii. Ensure that the actual cost should be the lowest possible and must include O & M costs, debt servicing, depreciation and foreseen upgrading and extension of services
- iii. Carry out a detailed analysis of the operation of the Company and identifying commercial gaps that exist as a result of the current tariff structures and rates; and
- iv. Carry out customer affordability analysis based on a customer survey on ability and willingness to pay for different level of services
- v. Evaluate current tariffs and develop recommended tariff levels
- vi. Assess different options on how to allocate subsidies in an efficient and effective way, in order to secure access to the supply systems and/or to a minimum water quantity for lower-income people.
- vii. Prepare a tariff structure and rates that will address the financial obligations of THIWASCO taking into account the existing commercial gaps and keeping in consideration the service provision standards prescribed by the Water Services Regulatory Board guidelines.

3.3 Scope of consultancy

To achieve the objective of this assignment, the consultant is expected to perform the following tasks:

- i. Carry out detailed target group analysis of the present and future supply area with full investigations on the social and economic situation of the population within the company's service area;
- ii. Carry out analysis of the income generated by the Company and compare and contrast with the financial obligation of the Company;

- iii. Carrying out an analysis to establish the current Non Revenue Water (NRW) including making recommendations on how to improve the situation;
- iv. Recommend the most appropriate tariff structure and rates; and
- v. Assisting THIWASCO and AWSB/County Government of Kiambu to present the tariff review application to WASREB.

3.4 Output and deliverables

The following reports shall be submitted at the end of assignment

- (a) Detailed target grouped analysis report
- (b) Tariff study report
- (c) Application for Tariff Review in the format required by WASREB
- (d) The consultant is expected to facilitate a stakeholder's workshop to discuss the proposed draft Tariff before the preparation of final report

3.5 Duration

The Consultant will undertake this assignment within six (6) weeks

3.6 Team Composition

The consultant shall provide a team of well-qualified and experienced professionals as required and appropriate for completion of the services. The key professionals shall personally carry out (with any assistance of junior staff deemed appropriate) the services as described in this TOR.

The consultant's key professional staffing schedule for the project shall be in accordance with his accepted proposal which forms the basis of the contract. However, the consultant shall provide the following staff as minimum.

- a) Team Leader/ Utility management expert; The team leader should be a recognized water and wastewater utility expert with extensive

- experience of 10years in conducting, monitoring and evaluation for utilities performance
- b) Financial/ Commercial analyst; The commercial analyst should be a qualified accountant CA with 5 years' experience, should have a 5 years' experience in data analysis and interpretation and have 5 years' experience in accounting/commercial analyst focused role
 - c) Social-Economic Experts; The expert should have a university degree in economics, or related field, should have at least 5 years of relevant experience in research o the social-economic development field.

3.7 Inputs by the consultant

The Consultant shall be responsible for the provision of all the necessary resources to carry out the Services.

3.8 Equipment, logistics and facilities

The consultant shall be responsible for the necessary resources to carry out the services. The employer will provide free of charge all existing information, data, reports and maps as far as available and will assist the consultant in obtaining other relevant information and material from government institutions and states authorities as far as possible. However, it is the duty of a consultant to check availability, quality and suitability of this information. The information, data, reports etc. as mentioned above will be available for the consultant's unlimited use during execution of the proposed services. Due provision shall be made in the proposal in case the consultant has to procure additional maps, aerial photographs etc. necessary to carry out the services at his own cost.

The following documentation relevant to the assignment and Scope of Work will be provided by the Client;

- a) AWSB and THIWASCO Audited Accounts for the last three years
- b) AWSB and THIWASCO current strategic plan

- c) AWSB and THIWASCO latest management accounts
- d) Investment plans for AWSB and THIWASCO
- e) AWSB and THIWASCO financial budgets
- f) THIWASCO Service Provision Agreement with AWSB including Performance Targets
- g) Progress Reports of THIWASCO to AWSB. The Client shall organize and meet the costs of the stakeholder's workshop.

SECTION IV - TECHNICAL PROPOSAL

4.0 Notes on the Preparation of Technical Proposal

The technical proposal shall be prepared and submitted by the consultants.

It shall contain the following:-

- (a) Submission letter
- (b) Particulars of the consultant including Curriculum vitae (CV)
- (c) Comments and suggestions of the consultant on the terms of reference, personnel, facility and other requirements to be provided by the procuring entity.
- (d) Description of the methodology and work plan for performing the assignment
- (e) Any proposed staff to assist in the assignment
- (f) Consultancy services activities times' schedule.

4.1 Firm's References

Using the format below, provide information on each assignment for which your firm either individually, as a corporate entity or in association was legally contracted

Assignment Name	Country
Name of Client	Client contact person for the assignment
Address	No of staff No of months Duration of assignment
Starting date	Approximate value
Completion date	
Name of senior staff- project director/team leader	
Description of project	
Description of actual services provided by your firm	

4.2 Methodology and Task Assignment

Bidders are required to submit a description of the methodology and task assignment

4.3 Team Composition and Task Assignment

Name	Position	Task

4.4 Format of Curriculum Vitae (CV) For Proposed Professional Staff

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].

Education:

Summarize college/university and other specialized education of staff member, giving names of schools, dates attended and degree[s] obtained.]

Employment Record:

Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, and Locations of assignments.

Certification:

I, the undersigned, certify that these data correctly describe me, my qualifications, and my experience.

Date: _____
[Signature of staff member]

Date: _____
[Signature of authorized representative of the firm]
Full name of staff member:

Full name of authorized representative:

SECTION V- FINANCIAL PROPOSAL (FP)

5.0 Notes on the Preparation Financial Proposal

The financial proposal shall be prepared and submitted by the consultants. It shall contain the following.

- (a) Submission letter indicating total fees
- (b) Summary of costs
- (c) Breakdown of fees per activity
- (d) Breakdown of reimbursable costs/expenses per activity
- (e) Miscellaneous expenses
- (f) Total costs including taxes, and disbursements

5.1 Financial Proposal Submission Form

_____ [Date]
To:

(Name and address of client)

We, the undersigned, offer to provide the consulting services for
Tariff Study. in accordance with your Request for Proposal and our
Proposal. Our attached Financial Proposal is for the sum of
(_____

[Amount in words and figures] inclusive of the taxes.)

Yours sincerely,

_____ **[Authorized Signature]**

_____ **[Name and Title of Signatory]:**

_____ **[Name of Firm]**

5.2 Summary Of Charges

COSTS	CURRENCY	AMOUNT
Remuneration		
Reimbursable		
Miscellaneous expenses		
Taxes		
Total amount of financial proposal		

N/B: Bidders are required to propose payment mode.

THIKA WATER AND SEWERAGE SERVICES CO. LTD

CONFIDENTIAL QUESTIONNAIRE FORM

TENDER/ REF: NO.....

TENDER/ DESCRIPTION.....

FIRM'S NAME

POSTAL
ADDRESS.....

PHYSICAL
ADDRESS.....

TOWN.....

ROAD/STREET.....
.....

BUILDING.....

TELEPHONE NUMBER.....

E-MAIL
ADDRESS.....

CERTIFICATE OF INCORPORATION.....ATTACH
COPY

VAT NUMBER..... ATTACH COPY

THIWASCO PURCHASE RECEIPT NUMBER..... ATTACH
COPY

NAMES OF REFEREES
1.....
2.....
3.....ATTACH RECOMMENDATION
LETTERS

DETAILS OF DIRECTORS OR PARTNERS

NAME	NATIONALITY	SHARES
1.....
2.....
3.....

DECLARATION

I certify that the above information is correct in all respects

NAME

SIGNATURE

POSITION

DATE:

RUBBER STAMP

.....

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