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② Paper laid by the
Hon. John M. Abadi,
Chairperson, Public
Accounts Committee
Moses Lemuna
20/4/2023

THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT-SECOND SESSION

PUBLIC ACCOUNTS COMMITTEE

REPORT ON PROCUREMENT OF EXTERNAL AUDIT SERVICES FOR THE OFFICE
OF THE AUDITOR-GENERAL FOR THE FINANCIAL YEARS 2018/2019 AND 2019/2020

THE NATIONAL ASSEMBLY PAPER LAIN	
DATE:	20 APR 2023 Thursday
TABLED BY:	Hon. John M. Abadi, MP Chairperson, PAC
CLERK AT THE TABLE:	Moses Lemuna

Directorate of Audit, Appropriations and other Select Committees
The National Assembly,
Parliament Buildings, Main Parliament Building
NAIROBI

April 2023

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CHAIRPERSON'S FOREWORD

The Public Accounts Committee derives its mandate from Standing Order 205 (2) of the National Assembly, which provides that "the Public Accounts Committee (PAC) shall be responsible for the examination of the accounts showing the appropriations of the sum voted by the House to meet the public expenditure and of such other accounts laid before the House as the Committee may think fit". The primary mandate of PAC is therefore to oversight the expenditure of public funds by ministries/departments/agencies, to ensure value for money and adherence to government financial regulations and procedures. The Committee executes its mandate on the basis of annual and special audit reports prepared by the Office of the Auditor-General (OAG).

Pursuant to the provisions of Article 226(4) of the Constitution, the National Assembly is required to appoint a professionally qualified accountant to audit the Office of the Auditor-General.

In fulfillment of the requirement of the above provision, the Committee received a recommendation of award of Tender of the said services from the Office of the Clerk of the National Assembly. The Committee observed the progress made on the procurement of External Audit Services. The Committee further observed that an offer had been made to M/s PFK Kenya Limited Liability Partnership (LLP) subject to approval by the National Assembly pursuant to Article 226 (4) of the Constitution.

It is against this backdrop that the Committee having satisfied itself that due process was followed, resolved to recommend to the National Assembly the approval of the award of hire of External Audit Services for the Office of the Auditor-General with respect the Financial Statements for the period 2020/2021 and 2021/2022 and the Mortgage and Car Loan Scheme Fund from the financial Year 2017/2018 to 2021/2022 to M/s PFK Kenya Limited Liability Partnership (LLP) pursuant to the provisions of Article 226(4) of the Constitution.

On behalf of the Public Accounts Committee (PAC), and pursuant to provisions of Standing Order, it is my pleasant privilege and honour to commit this Report of the Committee to this August House for adoption.

Hon. CPA John Mbadi Ng'ongo EGH, MP

PREFACE

Mandate of the Public Accounts Committee

The Public accounts Committee (PAC) established under Standing Order 205 is responsible for examination of the accounts showing the appropriates of the sum voted by the House to meet the public expenditure and of such other accounts laid before the House as the Committee may think it.

Objective of the Report

The Objective of this Report is to inform the House on the process followed in identifying a professionally qualified accountant who will provide external audit services to the Office of the Auditor-General for the period 2020/2021 and 2021/2022 and the Mortgage and Car Loan Scheme Fund from the financial Year 2017/2018 to 2021/2022.

Committee Membership

Chairperson

Hon. CPA John Mbadi Ng'ongo, EGH, MP

Nominated

Orange Democratic Movement Party

HOMA BAY COUNTY

Vice- Chairperson

Hon. Nicholas Tindi Scott Mwale, MP

Butere Constituency

Democratic Movement Kenya Party

KAKAMEGA COUNTY

Members

Hon. Dr. Wilberforce Ojiambo Oundo, MP
Funyula Constituency

Orange Democratic Movement Party

BUSIA COUNTY

Hon. Dr. Paul Otiende Amollo, SC, MP, EBS
Rarieda Constituency

Orange Democratic Movement Party

SIAYA COUNTY

Hon. Nabwera Daraja Nabii, MP
Lugari Constituency

Orange Democratic Movement Party

KAKAMEGA COUNTY

Hon. Amina Udgoon Siad, MP
Garissa County

Jubilee Party

GARISSA COUNTY

Hon. Samuel Kinuthia Gachobe, MP
Subukia Constituency
United Democratic Alliance Party
NAKURU COUNTY

Hon. (Dr.) Edwin Mugo Gichuki, MP
Mathioya Constituency
United Democratic Alliance Party
MURANG'A COUNTY

Hon. David Kiplagat, MP
Soy Constituency
Unite Democratic Alliance Party
UASIN GISHU COUNTY

Hon. Gabriel Gathuka Kagombe, MP

Hon. Eckomwas Mwengi Mutuse, MP
Kibwezi West Constituency
Maendeleo Chap Chap Party
MAKUENI COUNTY

Hon. Mohamed Aden Adow, MP
Wajir South Constituency
Orange Democratic Movement Party
WAJIR COUNTY

Hon. Gabriel Gathuka Kagombe, MP
Gatundu South Constituency
United Democratic Alliance Party
KIAMBU COUNTY

Hon. Victor Kipng'etich Koech, MP,
Chepalungu Constituency
Chama Cha Mashinani Party
BOMET COUNTY

Hon. Yakub Adow Kuno, MP
Bura Constituency
UPIA Party
TANA RIVER COUNTY

1.5 Committee Secretariat

Oscar Namulanda

Principal Clerk Assistant II

Abdirahman Gele Hassan

First Clerk Assistant

Lenny Muchangi

Legal Counsel II

Lilian Mwikali Mutiso

Third Clerk Assistant

Nimrod Mate Njue

Third Clerk Assistant

CPA Cyrille Mutali

Third Fiscal Analyst

Henry Gichana

Research Officer III

Luka Mutua

Serjeant At Arms

Yusuf Abdi

Hansard Reporter III

Mark Mbuthia

Audio Officer III

Faith Jully Malala

Public Communication Officer III

Peter Atsiaya

Media Relations Officer III

1. Introduction

- 1) Article 226(4) of the Constitution provides that, the accounts of the Office of the Auditor-General shall be audited and reported on by a professionally qualified accountant appointed by the National Assembly.
- 2) In fulfillment of the requirement of the above provision, the National Assembly tendered through Request for Proposal for Provision of External Audit Services for the Office of the Auditor General. The open tender was advertised on 16th February 2023 in the Daily Nation, the Standard, and also in the relevant websites i.e www.parliament.go.ke and the Public Procurement Information Portal www.tenders.go.ke
- 3) The Tender submission and opening date was on 28th February 2023 at 11.00 am. The Tender document required bidders to submit separate technical and financial bids.
- 4) A Tender Opening Committee was appointed by the Accounting Officer on 23rd February 2023 pursuant to section 78 of the Public Procurement and Asset Disposal Act, 2015 to oversee the tender opening process.
- 5) The following eight (8) firms responded by submitting their bids:-

BIDDER NO.	BIDDER'S NAME
1	Ekv & associate
2	BDO East Africa Kenya
3	Kigo Njenga & Co.
4	Kiarie Kangethe & Co.
5	PKF Kenya LLP
6	Baker Tilly
7	Mazars LLP
8	Ambale Ogot & Company LLP

- 6) A Technical Evaluation Committee was appointed by the Accounting Officer on 23rd February 2023 pursuant to Section 46 of the Public Procurement and Asset Disposal Act, 2015 to evaluate the bids submitted by the eight (8) firms.
- 7) The Evaluation Committee concluded the evaluation exercise on 20th March 2023 and submitted the Evaluation Report to the Head of the Procurement Function as per the provisions of the Public Procurement and Asset Disposal Act, 2015.

2. The Tendering Process

2.1 Advertising

- 8) The Tender was advertised on 19th February 2021 through an Open Tender in the Daily Nation, the Standard, The Star and People Newspapers and also in the relevant websites i.e www.parliament.go.ke and National Treasury IFMIS Portal.
- 9) The advert provided the responsibilities of the would be successful firm's as follows:-
- (a) Conducting independent audit of the Organization's activities/operations in line with International Standards on Auditing and International Financial Reporting Standards and guidelines by Public Sector Accounting Standards Board.
 - (b) Expressing an opinion on whether the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting standards and frameworks, whether the Organization has maintained proper books of accounts, and whether the accompanying financial statements give a true and fair view of the financial position of the office of the Auditor General.
 - (c) Reviewing and evaluating the Organization's internal control and risk management system and advising Management and the Board on adequacy/effectiveness of the system, and proposals for its improvement.
 - (d) Reviewing adequacy of the Organization's Information Systems and related infrastructure.
 - (e) Providing any other value-addition services consistent with the audit of the Organization.

2.2 Pre-Bid Meeting

- 10) A pre-bid meeting with interested bidders was held on **Tuesday, 28th February, 2023** to elaborate on the requirements of the tender. (8) bidders submitted their tender documents within the bid submission deadline and were opened by the Tender Opening Committee.

2.3 Bid Response

- 11) The eight (8) proposals were subjected to an evaluation process as per the criteria outlined in the Request for Proposal Tender Document issued to the bidders. The Evaluation Report is attached to this Professional Opinion for your consideration, review, and approval.
- 12) The following are the key highlights of the Evaluation Report:-

13) Evaluation Committee resolved to undertake the evaluation process in the following

four (4) stages:-

- (i) Preliminary/Mandatory Evaluation
- (ii) Technical Evaluation
- (iii) Financial Evaluation
- (iv) Determination of the highest combined score.

14) The following seven (7) firms were disqualified at the preliminary /mandatory evaluation stage for the following specified reasons:-

Bidder No.	Bidder's Name	Reasons for disqualification
B1	EKV & Associate	<ul style="list-style-type: none"> (i) The Tax compliance certificate submitted for the Partner (Ronald Amuliodo Luganji) was Not valid. The certificate validity was up to 03/02/2023. (ii) Professional indemnity cover submitted had a variance in words and figures. The maximum limit per year indicated 30 million Kenyan shillings in figures but Twenty million in words. (iii) Power of attorney submitted was Not properly executed as required. The associate did not sign the power of attorney. (iv) The technical proposal document was Not properly paginated. Part of the documents attached was not paginated.
B2	BDO East Africa Kenya	<ul style="list-style-type: none"> (i) Did not submit a duly filled, signed, and stamped certificate of independent proposal determination. (ii) Did not Submit a duly filled, signed, and stamped Self-Declaration form that that person/tenderer is not debarred in the matter of Public Procurement and Asset Disposal Act 2015-SD1. (iii) Did not submit a duly filled, signed, and stamped Self-Declaration form that that person/tenderer is not engaged in any corrupt or fraudulent practice - SD2 (iv) Did not submit a duly filled, signed, and stamped Declaration and commitment to the Code of Ethics form. (v) The technical proposal document was Not properly paginated. Part of the documents attached was not paginated.
B3	Kigo Njenga & Co.	<ul style="list-style-type: none"> (i) Did not submit a copy of CR12 from the Registrar of Companies (for limited companies) or relevant

Bidder No.	Bidder's Name	Reasons for disqualification
		Identification documents showing a list of directors/ownership (ii) The technical proposal document was Not properly paginated. Part of the documents attached was not paginated.
B4	Kiarie Kangethe & Co	(i) The Original Technical proposal document did Not have a duly filled, signed, and stamped Self-Declaration form that that person/tenderer is not debarred in the matter of Public Procurement and Asset Disposal Act 2015-SD1. (ii) The Original technical proposal document was Not properly paginated. Pages number 263 and 264 were missing.
B6	Baker Tilly	The Power of Attorney submitted was Not commissioned by the commissioner of Oath as required in the mandatory criteria.
B7	Mazars LLP	The certificate of independent proposal determination submitted was Not signed and stamped as required in the mandatory criteria.
B8	Ambale Ogot & Company LLP	The certificate of independent proposal determination submitted was Not signed as required in the mandatory criteria

15) One (1) firm proceeded to the 2nd stage of the evaluation which involved allocating technical scores as follows -

Bidder No.	Bidder's Name	Reasons for qualification
B5	PKF Kenya LLP	Met all preliminary/mandatory requirements

16) The following firm was responsive to the technical requirements of the RFP tender Document having scored above the set pass mark of 75%:-

Bidder No.	Bidder's Name	Total score	Total score/3 evaluators = Average score
B5	PKF Kenya	237	79

17) The RFP tender Document provided that only bids that scored above the set pass mark of 75% would have their financial bids opened hence the bids for the one (1) responsive firm was opened on 15th March 2023 in the presence of the bidder's representative as follows:-

Bidder No.	Bidder's Name	Technical Score	Breakdown costs (Kshs.)			Financial Proposal Amount Inclusive taxes (Kshs.)
			Audit services for the Financial Years 2020/2021 and 2021/2022	Mortgage and car loan scheme for the F/Y 2017/2018, 2018/2019, 2019/2020, 2020/2021, 2021/2022	Taxes (Kshs.)	
B5	PKF Kenya	79	13,181,175.00	3,274,600	2,632,924	19,088,699

18) The RFP tender Document provided the formulae for computing the weighted combined technical and financial score with a view to determining the highest-ranked score.

19) Upon application of the specified formulae as per the criteria, the results of the weighted combined score for the firm is as follows:-

Bidder No.	Bidder's Name	Technical Score (a)	Weighted Technical Score (b)= (a weighted to 80%)	Financial Proposal Amount (Kshs.) (c)	Weighted financial score (d)=c weighted to 20%	Total Weighted Score e = b + c	Ranking
B5	PKF Kenya	79	$79/100 \times 80 = 63.2$	19,088,699	$19,088,699 / 19,088,699 \times 20 = 20$	$63.2 + 20 = 83.2$	highest ranked

20) The highest-ranked firm is M/s **PKF Kenya LLP** with a combined score of 83.2 points and a total consultancy fee of Kshs.19,088,699.00.

21) The Evaluation Committee recommended the highest-ranked firm, **M/s PKF Kenya LLP** for consideration of the award in line with section 86-1(b) of the Public Procurement and Assets Disposal Act, 2015.

22) Through Professional Opinion No. NA/2022-2023/088 dated 24th March 2023 the Accounting Officer considered and approved the award to **M/s PKF Kenya LLP** at a Total Consultancy fee/cost of **Kshs.19,088,699.00** for the provision of external audit services for the office of the Auditor General (OAG) with respect to the Financial

Statements for the period 2020/2021 and 2021/2022 and the mortgage and car loan scheme fund from the Financial Year 2017/2018, 2018/2019, 2019/2020, 2020/2021 and 2021/2022 as per the Terms of Reference.

- 23) A notification of intention to enter into a contract was issued to M/s **PKF Kenya LLP** on accepted on 3rd April 2023. There *was* no appeal from any of the other bidders within the prescribed period.
- 24) The award has been made to **M/s PKF Kenya LLP** at a Total Consultancy fee/cost of **Kshs.19,088,699.00** for the provision of external audit services for the office of the Auditor General (OAG) with respect to the Financial Statements for the period 2020/2021 and 2021/2022 and the mortgage and car loan scheme fund from the Financial Year 2017/2018, 2018/2019, 2019/2020, 2020/2021 and 2021/2022 as per the **Terms of Reference subject to approval by the National Assembly pursuant to Article 226 (4) of the Constitution.**
- 25) The Public Accounts Committee is requested to note and resolve to move the Motion for consideration of approval for appointment of **M/s PKF Kenya LLP** for purposes of providing external audit services to the office of the Auditor General (OAG) with respect to –
- (i) the Accounts of the office of the Auditor General for the period 2020/2021 and 2021/2022; and,
 - (ii) the Financial Statements for the Mortgage and Car Loan Scheme for the Financial Years 2017/2018, 2018/2019, 2019/2020, 2020/2021, and 2021/2022.

3. Observation of the Public Accounts Committee

- 26) At its meeting held on Wednesday, 14th July, 2021, The Committee observed the progress made on the procurement of External Audit Services. The Committee further observed that an offer had been made to M/s PKF Kenya Limited Liability Partnership (LLP) subject to approval by the National Assembly pursuant to Article 226 (4) of the Constitution.
- 27) Subsequently, the Committee resolved that there was need to move a Motion in the House for approval of the award.

4. Recommendations of the Committee

28) The Committee recommends to the National Assembly-

1. To note the contents of this Report.
2. That, pursuant to the provisions of Article 226(4) of the Constitution, approves the appointment of M/s PKF Kenya LLP for purposes of providing external audit services to the office of the Auditor General (OAG) with respect to –
 - (a) the Accounts of the office of the Auditor General for the period 2020/2021 and 2021/2022; and,
 - (b) the Financial Statements for the Mortgage and Car Loan Scheme for the Financial Years 2017/2018, 2018/2019, 2019/2020, 2020/2021, and 2021/2022.

Sign..........Date: 20th April, 2023

Hon. CPA John Mbadi Ng'ongo, EGH, MP
Chairperson
Public Accounts Committee

APPENDIX

Appendix I -Extracts of the Newspaper Advertisements/Tender Notice No. NA/RFP/004/2022-2023.

Appendix II - Professional Opinion from the Head of Procurement

Appendix IV -Evaluation Report

Appendix V- Notification of Award of Tender

Appendix VI- Acknowledgement and Acceptance of the Offer

MINUTES OF THE TENDER OPENING COMMITTEE ON TENDER No. NA/RFP/004/2022-2023 FOR PROVISION OF EXTERNAL AUDIT SERVICES FOR THE OFFICE OF THE AUDITOR GENERAL HELD ON 28TH FEBRUARY, 2023 AT 10.00 A.M AT PROTECTION HOUSE 13TH FLOOR

The tender opening committee comprised of:

1. Ms. Sophie Otieno, Principal Legal Counsel	Chairperson
2. Mr. Abdullahi K. Aden, Principal Clerk Assistant	Member
3. Mr. Musembi Kavita, Accountant	Member
4. Ms. Delvin Onyancha, Research Officer	Member
5. Mr. Masud Aden, Procurement Officer	Secretary
6. Ms. Carol Angasa, Travel Assistant	Secretariat

Absent with Apology

1. Ms. Delvin Onyancha, Research Officer

AGENDA

1. Introduction
2. Opening of tender box
4. Closing of the tender opening exercise
5. A.O.B

MIN No. 01: Introduction

The chairperson welcomed the tenderers/representatives who had come to witness the opening exercise and requested all present to introduce themselves.

MIN No. 02: Ad Hoc Opening Committee

The tenders were received and opened on 28th February, 2023 at 10.00am by a tender opening committee appointed by the Accounting Officer vide letter Ref. No. Procurement 2022-2023/317 dated 23rd February, 2023 to open the tender in strict adherence to Sec. 78 PPADA, 2015. (See Appendix I)



REPUBLIC OF KENYA



PARLIAMENT OF KENYA THE NATIONAL ASSEMBLY

MINUTES OF TENDER OPENING COMMITTEE FOR PROVISION OF EXTERNAL AUDIT SERVICES FOR THE OFFICE OF THE AUDITOR GENERAL

TENDER NO. NA/RFP/004/2022-2023

FEBRUARY, 2023

[Handwritten signatures and initials]

[Handwritten signature]

MIN No. 03: Chairperson Remarks

The chair welcomed all the members and bidders' representative to the meeting and self-introductions were done by all members present. The chair informed the members that they were required to open, assign identification number, record all number of pages and document all the tenders received in strict adherence to the law.

MIN No. 04: Opening of the Tender Box

Receiving of bids was closed since it was past the deadline for submission. The tender box was opened immediately in the presence of the firms' representative who witnessed the opening of the tender box. Bidders' representative present confirmed that the tender box had been emptied.

MIN No. 04: Registration of Tenderers/Representatives

The tenderers/representatives who witnessed the opening were provided with a blank public attendance register to indicate their individual names, company/firm name append their signatures.

Tenderer's/representatives present during the tender opening exercise were as follows:-

No.	NAME	COMPANY NAME & ADDRESS	CONTACT
1.	Mr. Benard Galiaro	Ambale & Company	0722750276
2.	Mr. Wilson Mwangi	PKF Kenya LLP	0700368311
3.	Ms. Alice Masaa	Baker Tilly	0733600202

MIN No. 05: Opening Process

The following eight (8) documents were opened. The name of the firm submitting the tender, tender security and number of pages were read loudly and recorded in the tender opening register as tabulated below: *(Tender opening register Appendix II)*

No.	BIDDER/FIRM NAME	TENDER SECURITY	NO. OF PAGES	REMARKS
1.	M/s EKV & Associate	Kshs. 100,000 Rafiki Microfinance	Not properly paginated	✓ Submitted one original and a copy of the technical proposal. ✓ One envelope for financial proposal. ✓ The envelopes for technical and financial proposals were not sealed.



2.	M/s BDO East Africa Kenya	Kshs. 100,000 Stanbic Bank	Not properly paginated	<ul style="list-style-type: none"> ✓ Submitted one original and a copy of the technical proposal. ✓ One envelope for financial proposal.
3.	M/s Kigo Njenga & Co.	Kshs. 100,000 Geminia Insurance	Not properly paginated	<ul style="list-style-type: none"> ✓ Submitted one original and a copy of the technical proposal. ✓ One envelope for financial proposal.
4.	M/s Kiarie Kangethe & Co.	Kshs. 100,000 AMACO	333	<ul style="list-style-type: none"> ✓ Submitted one original and a copy of the technical proposal. ✓ Two envelopes for financial proposal (Original & Copy).
5.	M/s PKF Kenya LLP	Kshs. 100,000 Tausi Insurance	211	<ul style="list-style-type: none"> ✓ Submitted one original and a copy of the technical proposal. ✓ Two envelopes for financial proposal (Original & Copy).
6.	M/s Baker Tilly	Kshs. 100,000 NCBA	336	<ul style="list-style-type: none"> ✓ Submitted one original and a copy of the technical proposal. ✓ One envelope for financial proposal.
7.	M/s Mazars LLP	Kshs. 100,000 NCBA	164	<ul style="list-style-type: none"> ✓ Submitted one original and a copy of the technical proposal. ✓ Two envelopes for financial proposal (Original & Copy).
8.	M/s Ambale Ogot & Company LLP	Kshs. 250,000 Kenya Orient	194 Last page not paginated	<ul style="list-style-type: none"> ✓ Submitted one original and a copy of the technical proposal. ✓ One envelope for financial proposal.

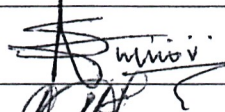


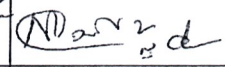

MINUTE No. 6: Closing of the Tender Opening Exercise

The tender opening committee confirmed that all the bids were opened, serialized and signed.

MINUTE No. 7: A.O.B

There being no other business, the meeting was adjourned 10.35 am.

THE AD HOC TENDER OPENING COMMITTEE MEMBERS:

No	NAME	POSITION	SIGNATURE	DATE
1.	Ms. Sophie Otieno	Chairperson		28/02/2023
2.	Mr. Abdullahi K. Aden	Member		28/02/2023
3.	Mr. Musembi Kavita	Member		28/2/23
4.	Mr. Masud Aden	Secretary		28.02.2023
5.	Ms. Carol Angasa	Secretariat		28 Feb 23

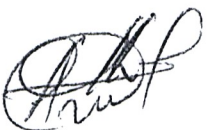


APPENDIX

Appendix I: Tender advert notice

Appendix II: Letter of tender opening committee appointment

Appendix III: Tender opening register

A handwritten signature in black ink, appearing to be 'Arust'.A handwritten mark consisting of a single, curved stroke.A handwritten signature in black ink, appearing to be 'Munir'.



**REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY**

**EVALUATION REPORT FOR THE PROVISION OF EXTERNAL
AUDIT SERVICES FOR THE OFFICE OF THE AUDITOR GENERAL.**

TENDER NO. NA/RFP/004/2022-2023

01/23/23

MARCH, 2023

REPORT BY THE AD HOC EVALUATION COMMITTEE ON TENDER No. NA/RFP/004/2022-2023 FOR THE PROVISION OF EXTERNAL AUDIT SERVICES FOR THE OFFICE OF THE AUDITOR GENERAL.

1. INTRODUCTION

The National Assembly is established pursuant to Article 93 of the Constitution. Article 226(4) of the Constitution provides that the accounts of the Office of the Auditor-General shall be audited and reported on by a professionally qualified accountant appointed by the National Assembly.

Pursuant to this Constitution requirement, the National Assembly invited for proposals from interested firms through a competitive Tender No. NA/RFP/004/2022-2023 as per the provisions of Section 116 of the Public Procurement and Asset Disposal Act, 2015.

The National Assembly intends to engage reputable, competent and eligible consultancy firm for the provision of External audit services for the Office of the Auditor General.

2. OBJECTIVES OF THE ASSIGNMENT

To identify a qualified and competent consultancy firm that will audit the Office of the Auditor General as specified in the Terms of Reference.

3. TENDERING PROCESS

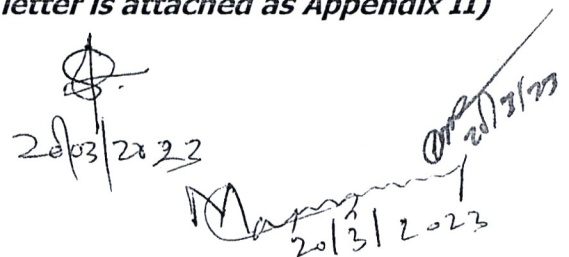
a) Advertisement

The National Assembly invited an open national tender for the provision of External audit services for the Office of the Office of the Auditor General. The tender document was uploaded at the National Assembly website www.parliament.go.ke and Public Procurement Information Portal www.tenders.go.ke. A tender notice for the provision of External audit services for Office of the Auditor General was also placed in the Daily Nation and the Standard on Thursday, 16th February, 2023 (*extracts of the newspaper cuttings are attached as Appendix I*).

b) Tender Opening

Tenders were received and opened on **Tuesday 28th February, 2023** at 10.00am by a Tender Opening Committee appointed by the Accounting Officer vide letter Ref. No. **Procurement NA/2022-2023/317** dated **23rd February, 2023**.

(Tender Opening committee appointment letter is attached as Appendix II)


Handwritten signatures and dates: 28/02/2023, 20/3/2023, and 20/3/2023.

c) Bid response

Eight (8) bidders submitted their tender documents within the bid submission deadline and were opened by the Tender Opening Committee as follows: -

Table 1.0- Results of the Tender Opening Register

No.	BIDDER/FIRM NAME	TENDER SECURITY	NO. OF PAGES	REMARKS
1.	M/s EKV & Associate	Kshs. 100,000 Rafiki Microfinance	Not properly paginated	✓ Submitted one original and a copy of the technical proposal. ✓ One envelope for financial proposal. ✓ The envelopes for technical and financial proposals were not sealed.
2.	M/s BDO East Africa Kenya	Kshs. 100,000 Stanbic Bank	Not properly paginated	✓ Submitted one original and a copy of the technical proposal. ✓ One envelope for financial proposal.
3.	M/s Kigo Njenga & Co.	Kshs. 100,000 Geminia Insurance	Not properly paginated	✓ Submitted one original and a copy of the technical proposal. ✓ One envelope for financial proposal.
4.	M/s Kiarie Kangethe & Co.	Kshs. 100,000 AMACO	333	✓ Submitted one original and a copy of the technical proposal. ✓ Two envelopes for financial proposal (Original & Copy).
5.	M/s PKF Kenya LLP	Kshs. 100,000 Tausi Insurance	211	✓ Submitted one original and a copy of the technical proposal. ✓ Two envelopes for financial proposal (Original & Copy).
6.	M/s Baker Tilly	Kshs. 100,000 NCBA	336	✓ Submitted one original and a copy of the technical proposal. ✓ One envelope for financial proposal.


20/02/2023

No.	BIDDER/FIRM NAME	TENDER SECURITY	NO. OF PAGES	REMARKS
7.	M/s Mazars LLP	Kshs. 100,000 NCBA	164	✓ Submitted one original and a copy of the technical proposal. ✓ Two envelopes for financial proposal (Original & Copy).
8.	M/s Ambale Ogot & Company LLP	Kshs. 250,000 Kenya Orient	194 Last page not paginated	✓ Submitted one original and a copy of the technical proposal. ✓ One envelope for financial proposal.

(Tender opening register and minutes attached as Appendix III)

4. EVALUATION PROCESS

a) Appointment of the Evaluation Committee

The Clerk of the National Assembly through a letter Ref. No. Procurement- NA/2022-2023/318 dated 23rd February, 2023 appointed an Ad-hoc Evaluation Committee as per Section 46 of the Public Procurement and Asset Disposal Act, 2015 comprising the following members: -

- | | |
|---|-------------|
| 1. Mr. Peter Meikoki, Deputy Director, F&A | Chairperson |
| 2. Ms. Leah Mwaura, Principal Clerk Assistant | Member |
| 3. Mr. Mohamed Mwinyi, Legal Counsel | Member |
| 4. Ms. Sandra Nganyi, Legal Counsel | Member |

(Letter of tender evaluation appointment is attached as Appendix IV).

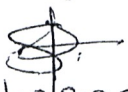
Absent with Apology

- | | |
|---|--------|
| 1. Ms. Leah Mwaura, Principal Clerk Assistant | Member |
|---|--------|

b) Consequently, the Chief Procurement Officer through a letter Ref. No. Procurement- NA/2022-2023/321 dated 23rd February, 2023 appointed the secretary to the Ad Hoc Evaluation Committee pursuant to section 46 (4) (c) of the Public Procurement and Asset Disposal Act, 2015 **(Amendment Act, 2022)** as follows;

- | | |
|--|-------------|
| 1. Mr. Francis Esimit, Procurement Officer | Secretary |
| 2. Ms. Victoria Wanje, Procurement Officer | Secretariat |

(Letter of secretary appointment is attached as Appendix V).


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c) Evaluation process

The Evaluation Committee embarked on the exercise from 6th, 7th, 15th and 20th March, 2023. The Committee scrutinized the tender documents which were submitted; all the documentation required in the tender as per its mandate spelt out in the letter of appointment and more so in the relevant provisions of the Public Procurement and Asset Disposal Act, 2015 and attendant regulations.

d) The Evaluation Stages

The evaluation exercise was conducted in three (3) stages and as per the criteria specified in the tender document: -

- Preliminary/ Mandatory Evaluation Stage
- Technical Evaluation Stage
- Financial Evaluation Stage


4.1 PRELIMINARY REQUIREMENTS (MANDATORY)


Eligible tenderers must provide the following mandatory requirements (for preliminary evaluation).

Table 2.0- Results of the Preliminary Evaluation Stage

S/No.	MANDATORY EVALUATION CRITERIA	RESPONSIVENESS YES/NO							
		B1	B2	B3	B4	B5	B6	B7	B8
1	Attach a copy of Certificate of Incorporation/Registration	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Attach a copy of valid Tax Compliance/Clearance Certificate. From Kenya Revenue Authority	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Attach a copy of CR12 from the Registrar of Companies (for limited companies) or relevant Identification documents showing list of directors/ownership.	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
4	Attach a bid security of Kshs. 100,000.00 in favour of the National Assembly from a reputable Kenyan bank or Insurance Company approved by Public Procurement Regulatory Authority (PPRA) as per the attached prescribed format valid for 210 days from the date of tender closing/opening.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

S/No.	MANDATORY EVALUATION CRITERIA	B1	B2	B3	B4	B5	B6	B7	B8
5	Professional indemnity cover of at least Kes. 30,000,000.00	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Proof of registration with ICPAK as a firm	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	Submission of valid Partners' Practicing Certificates/License	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Submit a duly filled, signed and stamped certificate of independent proposal determination.	Yes	No	Yes	Yes	Yes	Yes	No	No
9	Submit a duly filled, signed and stamped Self-Declaration form that that person/tenderer is not debarred In the matter of Public Procurement and Asset Disposal Act 2015-SD1	Yes	No	Yes	No	Yes	Yes	Yes	Yes
10	Submit a duly filled, signed and stamped Self-Declaration form that that person/tenderer is not engage in any corrupt or fraudulent practice -SD2	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
11	Submit a duly filled, signed and stamped Declaration and commitment to the Code of Ethics form.	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
12	Power of attorney in form of a sworn affidavit by commissioner of oaths of the representative to be signing documents on behalf of the tenderer.	No	Yes	Yes	Yes	Yes	No	Yes	Yes
13	Submit one (1) original and a copy of Technical proposal AND one (1) original and a copy of Financial proposal in SEPARATE ENVELOPES well bound,	No	No	No	No	Yes	Yes	Yes	Yes


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	serialized and paginated including all attachments. The envelopes shall then be enclosed in clearly marked OUTER envelope.								
	RESPONSIVENESS (R)/NON-RESPONSIVE (NR)	NR	NR	NR	NR	R	NR	NR	NR

NOTE:

Failure to submit any of the above requirement shall lead to disqualification at this stage. Original bid security document shall be part of the technical proposal submission.

Observations under the Mandatory Evaluation stage:

The following were the observations:

Bidder No.1- M/s EKV & Associate:


The bidder was disqualified from further evaluation because:

- The Tax compliance certificate submitted for the Partner (**Ronald Amuliodo Luganji**) was Not valid. The certificate validity was up to **03/02/2023**.
- Professional indemnity cover submitted had variance in words and figures. The maximum limit per year indicated 30 million Kenyan shillings in figures but Twenty million in words.
- Power of attorney submitted was Not properly executed as required. The associate did not sign the power of attorney.
- The technical proposal document was Not properly paginated. Part of documents attached were not paginated.

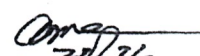
Bidder No.2- M/s BDO East Africa Kenya:

The bidder was disqualified from further evaluation because:

- Did not submit a duly filled, signed and stamped certificate of independent proposal determination.
- Did not Submit a duly filled, signed and stamped Self-Declaration form that that person/tenderer is not debarred in the matter of Public Procurement and Asset Disposal Act 2015-SD1.
- Did not submit a duly filled, signed and stamped Self-Declaration form that that person/tenderer is not engage in any corrupt or fraudulent practice -SD2
- Did not submit a duly filled, signed and stamped Declaration and commitment to the Code of Ethics form.
- The technical proposal document was Not properly paginated. Part of documents attached were not paginated.


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Bidder No.3- M/s Kigo Njenga & Co. :

The bidder was disqualified from further evaluation because:

- Did not submit a copy of CR12 from the Registrar of Companies (for limited companies) or relevant Identification documents showing list of directors/ownership
- The technical proposal document was Not properly paginated. Part of documents attached were not paginated.

Bidder No.4- M/s Kiarie Kangethe & Co:

The bidder was disqualified from further evaluation because:

- The Original Technical proposal document did Not have a duly filled, signed and stamped Self-Declaration form that that person/tenderer is not debarred in the matter of Public Procurement and Asset Disposal Act 2015-SD1.
- The Original technical proposal document was **Not** properly paginated. The pages number 263 and 264 were missing.

Bidder No.5- M/s PKF Kenya LLP:

- The bidder was responsive to the mandatory evaluation criteria hence qualified to the Technical evaluation stage.

Bidder No.6- M/s Baker Tilly:

The bidder was disqualified from further evaluation because:

- Power of attorney submitted was **Not** commissioned by the commissioner of Oath as required in the mandatory criteria.

Bidder No.7- M/s. Mazars LLP :


The bidder was disqualified from further evaluation because:

- The certificate of independent proposal determination submitted was **Not signed and stamped** as required in the mandatory criteria.

Bidder No.8- M/s. Ambale Ogot & Company LLP:

The bidder was disqualified from further evaluation because:

- The certificate of independent proposal determination submitted was **Not signed** as required in the mandatory criteria.


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4.2 TECHNICAL EVALUATION CRITERIA


Table 3.0- Results of the Technical Evaluation Stage

S/no.	TECHNICAL REQUIREMENT	SCORE	BIDDER
			B5
1	<p>Specific experience of the consultant as a firm, relevant to the assignment</p> <p>a) No. of similar consultancies assignments done in the last five (5) year both in private and public sector institutions-attach five (5) contracts document/LPO's 4 marks for each. Total Marks 20marks.</p> <p>b) Five Recommendation letters in clients' letterhead from the above indicated institutions with contact person, email addresses, and telephone contact. (two (2) Mark each) 10marks</p>	30	16
2	<p>Adequacy and quality of the proposed methodology, and work plan in responding to the Terms of Reference (TORs):</p> <p>a) Technical approach and methodology Provide a detailed methodology for undertaking audit assignments with clear indications of how the consultant shall cover each activity highlighted in the Terms of Reference (TOR's) of this assignment.</p> <p>Proposed Methodology and Approach- 5marks</p> <p>Demonstrate understanding and conformity to the terms of References – 5 marks</p> <p>Descriptions of the firms' suitability to carry out these specific assignments. - 5 Marks</p> <p>Consultants suggestions and comment on the term of reference 5 marks</p>	35	31


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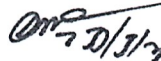
S/No.	TECHNICAL REQUIREMENT	SCORE	BIDDER
			B.5
	<p>b) Proposed Work plan</p> <p>Bidders must breakdown each activity and show the deliverable, duration and the personnel involved in each assignment and/or activity. 10 marks</p> <p>c) Organization and staffing</p> <p>Provide Company profile to include background and services offered. 2marks</p> <p>Organizational structure, clearly indicating all the departments and reporting structure - 3marks</p>		
3.	<p>Key Experts' qualifications and competence for the Assignment:</p> <p>TEAM LEADER:</p> <p>(a) Must hold a Masters' Degree (Finance, Actuarial Science, Economics or any other related course. Attach copy of academic certificate. 5 marks</p> <p>(b) Must have at least 10 years' experience in similar assignments. (Attach detailed Curriculum vitae in the format provided in the bidding document Form tech 6B)</p> <p>Above > 10 years' experience – 5 marks</p> <p>Above > 6 years' experience < 10 years – 3 marks</p> <p>Above > 4 years' experience < 6 years - 2 marks</p> <p>Below 4 years..... 0 marks</p> <p>(c) Must have a valid membership with ICPAK and a valid practicing license and in good membership standing. attach copy of certificate 2 marks each</p>	35	32


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S/No.	TECHNICAL REQUIREMENT	SCORE	BIDDER
			B.5
	<p>Key Experts' qualifications and competence for the Assignment:</p> <p>TEAM LEADER:</p> <p>(d) Must hold a Masters' Degree (Finance, Actuarial Science, Economics or any other related course. Attach copy of academic certificate. 5 marks</p> <p>(e) Must have at least 10 years' experience in similar assignments. (Attach detailed Curriculum vitae in the format provided in the bidding document Form tech 6B)</p> <p>Above > 10 years' experience – 5 marks</p> <p>Above > 6 years' experience < 10 years – 3 marks</p> <p>Above > 4 years' experience < 6 years - 2 marks</p> <p>Below 4 years..... 0 marks</p> <p>(f) Must have a valid membership with ICPAK and a valid practicing license and in good membership standing. attach copy of certificate 2 marks each</p> <p>TECHNICAL STAFF</p> <p>At least three Team Members (each proposed Team Member)</p> <p>(a) Must hold a relevant Bachelors' degree in (Finance, Actuarial Science, Economics or any other related course). Attach copies of certificates- 3 Marks each</p> <p>(a) Must demonstrate at least 5 years continuous similar assignment experience. (Attach detailed Curriculum vitae in the format provided in the bidding document Form tech 6B)</p>		


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S/No.	TECHNICAL REQUIREMENT	SCORE	BIDDER
			B. 5
	2Marks each Above > 5 years 2 marks Between 3-5 years..... 1 mark Below 2 years..... 0 mark Must have valid membership and a valid practicing license in good membership standing with ICPAK body. attach copy of certificate. 2 Mark each		
	Total	100	79

NOTE;

The minimum technical score (ST) required to pass is 75%. The firm should attain the minimum cut off score of 75/100 and above so as to proceed to financial evaluation. The technical scores shall be prorated to 80 Marks.

Observations under the Technical Stage of the Evaluation.

Table 4.0-summarized evaluators score

Bidder No.	Bidder's Name	Evaluators scores			Total Score by evaluators	Average score
		Peter	Mwinyi	Sandra		
B.5	PKF Kenya LLP	79	78	80	237	79

Evaluation Committee Scoresheets attached as appendix vi

The bidder attained the minimum cut off score of 75/100 and therefore considered to be responsive to the technical evaluation criteria hence qualified to the financial evaluation.

RECOMMENDATIONS BY THE EVALUATION COMMITTEE UNDER DETAILED TECHNICAL EVALUATION STAGE

The Evaluation Committee recommended the following firm that attained the minimum cut off score of 75/100 and above be considered for the opening of their financial bid:-

Table 5.0- technically responsive bid

Bidder No.	Bidder's Name	Total score	Total score/3 evaluators = Average score
B.5	PKF Kenya LLP	237	79

[Signature]
20/03/2023

[Signature]
20/03/2023

[Signature]
20/03/2023

5. FINANCIAL PROPOSAL EVALUATION STAGE

a) The Financial Proposal for the one (1) technically responsive firm was opened on Wednesday, 15th March 2023 at 11 am in the presence of representative of the firm.

(Financial Proposal Opening Register attached as Appendix VI).

b) The results are as tabulated below:-

Table 6.0- financial proposal amounts (bidder No. 5)

Bidder No.	Bidder Name	Technical Proposal score	Summary of costs of Financial proposal		Financial Proposal Amount inclusive of all taxes (Kshs.)
B.5	PKF Kenya LLP	79	Financial statement for FY 2020/2021 and 2021/2022	13,181,175	19,088,699
			Mortgage and car loan for financial years 2017/2018, 2018/2019, 2019/2020, 2020/2021, 2021/2022	3,274,600	
			VAT 16%	2,632,924	

c) Evaluation of the Financial Proposals

✓ The Evaluation Committee evaluated the financial bid as follows:-


- Checking the arithmetic errors

The financial proposal by the firm had no arithmetic errors.


- Calculating the weighted average as per the formula provided below:-

Only the financial proposals of the firms that score 75% and above shall be evaluated for responsiveness.

The financial proposals of firms that score below 75% shall remain sealed and unopened and will be returned to the bidders after the conclusion of the procurement process.


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The lowest evaluated Financial Proposal (Fm) is given the maximum financial score (Sf) of 100.

The formula for determining the financial scores (Sf) of all other Proposals is calculated as following:

$Sf = 100 \times Fm / F$, in which "Sf" is the financial score, "Fm" is the lowest price, and "F" the price of the proposal under consideration.

The weights given to the Technical (T) and Financial (P) Proposals are:

T = [80%], and

P = [20%]

Proposals are 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) as following: $S = St \times T\% + Sf \times P\%$.

PKF Kenya, LLP

$$100 \times \frac{19,088,699}{19,088,699} = 100$$


Weighted to 20% as per the formula provided:-

$$100 \times \frac{20}{100} = 20$$

d) Ranking of the financial proposal

The proposal was ranked as per the following criteria provided in the RFP document under clause:-

- Proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights (T=the weight given to the Technical Proposal; P = the weight given to the Financial Proposal; T + P = 1) indicated in the Appendix.
- The combined technical and financial score, S, is calculated as follows:- $S = St \times T\% + Sf \times P\%$.


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e) The results of the weighted scores are as follows:-

Table 7.0- Weighted scores for responsive firm (Bidder No. 5)

Bidder no.	Bidder's Name	Technical Score (a)	Weighted Technical Score (b)=(a) weighted to 80% (St*T%)	Financial Proposal Amount kshs (c) weighted	Weighted Financial score (d)=c (weighted to 20%) (Sf*P%)	Total weighted Score E=b+c
5	PKF Kenya LLP	79	79/100*8 0=63.2	19,088,699	19,088,699/19 ,088,699*20= 20	63.2+20 =83.2

Observations under the Financial Proposals Evaluation Stage


The highest ranked bidder as per the evaluation criteria is **PKF Kenya LLP** at a combined weighted score of **83.2** points and a total amount of **Kshs. 19,088,699.00**.

6. CONCLUSION/SUMMARY

- a. This was an open Tender and a total of eight (8) bids were submitted.
- b. Seven (7) bidders were disqualified at the preliminary(mandatory) stage. Only one (1) bidder was responsive to the preliminary (mandatory) and qualified to proceed to the technical evaluation stage. The bidder was also responsive to the technical evaluation and qualified for financial evaluation.
- c. Based on the recommendation letters submitted and the respective supporting documents provided in their bid, the highest ranked firm has undertaken the assignments in the following organizations :-

Table 8.0-Some of the past assignments undertaken by the highest ranked bidder

Bidder No.	Bidder's Name	Combined score	Clients	Assignment value (kshs.)
B.5	PKF Kenya LLP	83.2	The National Assembly	40,000,000.00
			The National Treasury	20,830,700.00
			City of Kisumu	9,963,675.00
			Ministry of Health	187,969,410.00



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- d. The method of selection for this assignment is Quality and Cost Based Selection Criteria pursuant to Section 124(1) of the Public Procurement and Asset Disposal Act, 2015.
- e. The evaluation criteria of the RFP Document provided that the firm that scores the highest combined score (technical and financial) shall be considered for award. PKF Kenya LLP had the highest combined score of 83.2.

7. RECOMMENDATION BY THE EVALUATION COMMITTEE


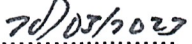
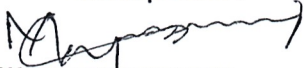
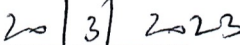

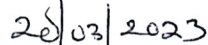
Based on the foregoing analysis and evaluation of all the proposals submitted, the Evaluation Committee recommends, **M/s PKF Kenya LLP** having attained the highest combined score of 83.2 points be considered for award of the **Tender No. NA/RFP/004/2022-2023 for the provision of external audit services for Office of the Auditor General with respect to the Financial Statements for the period 2020/2021 and 2021/2022 and the mortgage and car loan scheme fund for the Financial Years 2017/2018, 2018/2019, 2019/2020, 2020/2021 and 2021/2022** as per the Terms of Reference at a Total Cost of **Kshs.19,088,699.00** only (inclusive of all applicable taxes).


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20/3/2023


28/03/23

Report compiled and signed by the following Evaluation Committee members:-

- | | | |
|------------------------|--|--|
| 1. Mr. Peter Meikoki | 
.....
Chairperson | 
.....
Date |
| 2. Mr. Mohammed Mwinyi | 
.....
Member | 
.....
Date |
| 3. Ms. Sandra Nganyi | 
.....
Member | 
.....
Date |

IN ATTENDANCE

- | | | |
|-----------------------|---|--|
| 4. Mr. Francis Esimit | 
.....
Secretary | 
.....
Date |
|-----------------------|---|--|

APPENDICES

- Appendix I: Extracts of the newspaper cutting (Tender Advert notice)
- Appendix II: Tender Opening committee appointment letter
- Appendix III: Tender Opening Register and Minutes
- Appendix IV: Tender Evaluation Committee Appointment Letter
- Appendix V: Letter of appointment of Evaluation Committee secretary
- Appendix VI: Evaluation Committee Scoresheets
- Appendix VII: Financial Proposal Opening Register

THE NATIONAL ASSEMBLY

PROFESSIONAL OPINION

To : Clerk of the National Assembly
From : Chief Procurement Officer, NA-2042
Date : 24th March, 2023
REF No. : Professional Opinion No. NA/2022-2023/088
SUBJECT : PROFESSIONAL OPINION FOR THE PROVISION OF EXTERNAL AUDIT SERVICES FOR THE OFFICE OF THE AUDITOR GENERAL TENDER NO. NA/RFP/004/2022-2023

1) BACKGROUND INFORMATION

- a. The National Assembly intends to engage reputable, competent and eligible firms for the provision of external audit services for the office of the Auditor General.
- b. The method of procurement applied was an Open Tender pursuant to section 91(1) of the Public Procurement and Asset Disposal Act, 2015 (PPADA).
- c. The tender document was uploaded to the National Assembly website www.parliament.go.ke and Public Procurement Information Portal www.tenders.go.ke in line with Section 98(1) of PPADA. The tender invitation notice was also placed in the Daily Nation and The Standard Newspapers on Thursday, 16th February, 2023 in line with Section 96 (1) (2) and (3) of the Public Procurement and Asset Disposal Act, 2015 (PPADA).
- d. The Tender submission and opening date was on Tuesday, 28th February, 2023 at 10.00am.
- e. The Accounting Officer appointed a Tender Opening Committee vide a Memo ref no: **Procurement NA/2022-2023/317** dated 23rd February 2023. This was in line with Section 78 of the Public Procurement and Asset Disposal Act, 2015. Members of Tender Opening Committee present were as follows;

- | | |
|---|-------------|
| 1. Ms. Sophie Otieno, Principal Legal Counsel | Chairperson |
| 2. Mr. Abdullahi K. Aden, Principal Clerk Assistant | Member |
| 3. Mr. Musembi Kavita, Accountant | Member |
| 4. Mr. Masud Aden, Procurement Officer | Secretary |
| 5. Ms. Carol Angasa, Travel Assistant | Secretariat |

USA

- f. The tender opening process was conducted on Tuesday, 28th February, 2023 at 10.00am by the Ad-Hoc Tender Opening Committee. A total of Eight (8) bidders submitted their tender documents within the bid submission deadline.
- g. An Ad-Hoc Evaluation Committee was appointed by the Accounting Officer through a Memo Ref no: **Procurement-NA/2022-2023/318** dated 23rd February 2023 pursuant to Section 46 of the Public Procurement and Asset Disposal Act, 2015 to evaluate the bids submitted. The secretary was appointed by the Head of procurement function Pursuant to Sec. 46(4)(c) Vide a memo Ref no. **Procurement-NA/2022-2023/321** dated 23rd February 2023.
- h. The Evaluation Committee members present were as follows:
- | | |
|--|-------------|
| 1. Mr. Peter Meikoki, Deputy Director, F&A | Chairperson |
| 2. Mr. Mohamed Mwinyi, Legal Counsel | Member |
| 3. Ms. Sandra Nganyi, Legal Counsel | Member |
| 4. Mr. Francis Esimit, Procurement officer | Secretary |
- i. The Evaluation Committee concluded the evaluation exercise on 20th March, 2023 and submitted the evaluation report to the Head of the Procurement Function as per section 80(4) of the PPADA, 2015.

2) **EVALUATION PROCESS**

- a. The Eight (8) bids were subjected to an evaluation process as per the criteria outlined in the tender document in line with section 80 (1) (2) (3) of the PPADA, 2015.
- b. The evaluation report of the procurement proceeding is attached to this professional opinion for your review.
- c. The following are the key highlights of the evaluation report:

Evaluation Committee undertook the evaluation process in the following three (3) stages as per the criteria set out in the Request for Proposal tender document:

- Preliminary/Mandatory Evaluation
- Technical Evaluation
- Financial Evaluation

The following Eight (8) bidders submitted their tender documents during the tender opening process:

- **Bidder No.1-** M/s EKV & Associate
- **Bidder No.2-** M/s BDO East Africa Kenya
- **Bidder No.3-** M/s Kigo Njenga & Co.
- **Bidder No.4-** M/s Kiarie Kangethe & Co.
- **Bidder No.5-** M/s PKF Kenya LLP

- **Bidder No.6-** M/s Baker Tilly
- **Bidder No.7-** M/s Mazars LLP
- **Bidder No.8-** M/s Ambale Ogot & Company LLP

The following seven (7) bidders were disqualified at the preliminary/mandatory evaluation stage: (*Reasons for disqualification are in the attached evaluation report*).

- **Bidder No.1-** M/s EKV & Associate
- **Bidder No.2-** M/s BDO East Africa Kenya
- **Bidder No.3-** M/s Kigo Njenga & Co.
- **Bidder No.4-** M/s Kiarie Kangethe & Co.
- **Bidder No.6-** M/s Baker Tilly
- **Bidder No.7-** M/s Mazars LLP
- **Bidder No.8-** M/s Ambale Ogot & Company LLP

The following one (1) bidder qualified at the preliminary/mandatory evaluation stage and was subjected to the technical evaluation.

- **Bidder No.5-** M/s PKF Kenya LLP

The following one (1) bidder attained the minimum technical score of 75% as indicated in the Request for Proposal tender document and therefore responsive to the technical evaluation. The bidder qualified for the financial evaluation.

- **Bidder No.5-** M/s PKF Kenya LLP

The bidder **M/s PKF Kenya LLP** was subjected to financial evaluation stage and found to be responsive.

The Evaluation Committee therefore recommended Bidder No. 5- **M/s PKF Kenya LLP** for consideration of award:

3) PROFESSIONAL OPINION

Section 84 of The Public Procurement and Asset Disposal Act, 2015 provides that the Head of Procurement function of a procuring entity shall, alongside the report to the Evaluation Committee as Secretariat comments, review the Tender Evaluation Report and provide a signed Professional Opinion to the Accounting Officer on the procurement or asset disposal proceedings.

In providing this Professional Opinion for the provision of external audit services for the office of the Auditor General, the following has been taken into consideration:

1. In fulfilling this mandate, The National Assembly invited bids from all eligible firms through Tender No. NA/RFP/004/2022-2023 on 16th February, 2023.

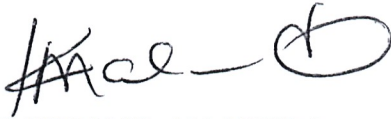
2. Section 79(1) of the Public Procurement and Asset Disposal Act, 2015 provides that a tender is responsive if it conforms to all the eligibility and other mandatory requirements of the tender documents.
3. Section 80(1) of the PPADA, 2015 further provides that the Evaluation Committee appointed by the Accounting Officer pursuant to section 46 of this Act, shall evaluate and compare the responsive tenders other than tenders rejected under section 82 (3).
4. Section 80 (2) of the PPADA, 2015 provides that the evaluation and comparison shall be done using the procedures and criteria set out in the Request for Proposal tender document. The Evaluation Committee conducted the evaluation exercise as per the criteria and provisions of the tender document.
5. Section 86 1(b) of the PPADA, 2015 provides that the successful tender shall be the tender with the responsive proposal with the highest score determined by the procuring entity by combining, for each proposal, in accordance with the procedures and criteria set out in the request for proposals, the scores assigned to the technical and financial proposals where Request for Proposals method is used.
6. **M/s PKF Kenya LLP** was determined to have the highest combined score of 83.2 points with a total consultancy cost of **Kshs. 19,088,699.00**. The Evaluation Committee considered and recommended an award to **M/s PKF Kenya LLP** for the provision of external audit services for the office of the Auditor General at a total cost of **Kshs. 19,088,699.00 (Nineteen Million, eighty eight thousand, six hundred and ninety nine shillings only inclusive of all applicable taxes)**.
7. The cost of the consultancy is dependent on the nature of the assignment, qualifications and position of the individual personnel in the team, remuneration of staff, the number of persons to be deployed, duration for the assignment, the firm's policy, taxes, duties and other incidental costs associated with the consultancy assignment.
8. Funds for resultant expenditure are available under the contracted professional services budget and procurement plan of 2022-2023 financial year.

4) RECOMMENDATION TO THE ACCOUNTING OFFICER

Having reviewed the evaluation report, the applicable laws and practices, I am satisfied that the procurement process was compliant and concur with the recommendation of the evaluation committee.

The Accounting Officer is requested to consider and approve an award to **M/s PKF Kenya LLP** for the provision of external audit services for the office of the Auditor General at a total cost of **Kshs. 19,088,699.00 (Nineteen Million, eighty eight thousand, six hundred and ninety nine shillings only inclusive of all applicable taxes)**.

I hereby submit my professional opinion on the procurement process for consideration in line with the recommendation of the evaluation committee.



KENNEDY M. MALINDA
CHIEF PROCUREMENT OFFICER, NA
Encls.

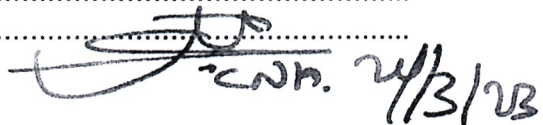
ACCOUNTING OFFICER/CLERK OF THE NATIONAL ASSEMBLY

After considering the above request on procurement for the provision of external audit services for the office of the Auditor General through Tender No. **NA/RFP/004/2022-2023**, I hereby: -

A. Approve the application as requested;

- Approval as recommended
-

Or



B. Defer approval/award as submitted for more information to be provided in relation to;

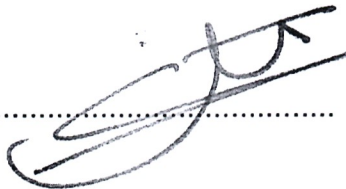
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-

Or

C. Reject the application for the following reasons that need to be addressed: -

-
-

SIGNATURE.....



DATE.....





THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK

P. O. Box 41842-00100
Nairobi, Kenya
Main Parliament Buildings

Telephone: +254202848000 ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote

REF: NA/RFP/004/2022-2023

24th March, 2023

**M/s PKF Kenya LLP,
Kalamu House, Grevillea Grove
Westlands,
P.O. Box 14077-00800,
Nairobi.
Tel+254 20 4270000
Mobile +254732 144000
Email: consult@ke.pkfea.com**

Dear Sir/Madam,

**NOTIFICATION OF AWARD FOR THE PROVISION OF EXTERNAL AUDIT
SERVICES FOR THE OFFICE OF THE AUDITOR GENERAL; TENDER NO.
NA/RFP/004/2022-2023**

Thank you for your participation in the above tender for provision of external audit services for the office of the Auditor General.

Following conclusion of the evaluation process and consideration of all proposal submitted, we are pleased to inform you that your proposal for the provision of external audit services for the office of the Auditor General at your quoted total amount **Kshs. 19,088,699.00 (Nineteen Million, eighty eight thousand, six hundred and ninety nine shillings only) inclusive of all applicable taxes** was successful.

The contract shall be signed by both parties within 30 day but not earlier than fourteen (14No.) days from the date of this letter subject to the following;

- (a) Your unconditional acceptance of the offer;
- (b) There being no appeal lodged with the Public Procurement Administrative Review Board within fourteen (14) days from the date of this notification with regard to this tender;
- (c) Approval by the National Assembly pursuant to Article 226(4) of the Constitution.

Please acknowledge receipt and acceptance of this offer within seven days from the date of this letter and liaise with the Chief Procurement Officer- National Assembly on telephone 020-2848000 (ext. 3816), with regards on any matter relating to this letter.

Yours Faithfully,



Samuel Njoroge
CLERK OF THE NATIONAL ASSEMBLY

Collected by - Johnson Kuyile
36181222
0799803597
31/3/23
