

REQUEST FOR PROPOSAL (RFP) FOR ADMINISTRATOR SERVICES FOR THE NSE & CDSC STAFF PROVIDENT FUND SCHEME

1. Background information

1.1 About NSE

The Nairobi Securities Exchange PLC (NSE) is a leading African Exchange, based in Kenya and one of the fastest growing economies in Sub-Saharan Africa. Founded in 1954, NSE has a six decade heritage in listing equity and debt securities. It offers a world class trading facility for local and international investors looking to gain exposure to Kenya and Africa's economic growth.

1.2 About CDSC

The Central Depository & Settlement Corporation Limited (CDSC) is a limited liability Company approved by the Capital Markets Authority to provide automated clearing, delivery and settlement facilities in respect of transactions carried out at the Nairobi Securities Exchange PLC as well as holding of listed and non-listed securities including other documents of title on behalf of investors. CDSC formally started operations in 2004.

1.3 The Staff Retirement Scheme

The two (2) institutions, as named above, have together established a Staff Retirement Scheme called **The NSE & CDSC Staff Provident Fund Scheme (SPFS)**.

The Scheme was established and is administered and governed in accordance with the provisions of a Trust Deed dated 9th December 1997. The founder of the scheme was NSE. When CDSC was founded, most of the new firm's employees migrated from NSE to CDSC under a Novation Contract; meaning they continued to contribute to the NSE Staff Provident Fund. To accommodate the two organizations and formalize this arrangement, the Scheme is co-joined renamed NSE & CDSC Staff Provident Fund. Both NSE and CDSC employees contribute and enjoy the scheme benefits.

The NSE & CDSC Staff Provident Fund is under a defined contribution arrangement. The purpose of the Fund is to provide retirement benefits for staff of NSE & CDSC. The Fund is being transitioned to have 50% of the Fund managed under the Guaranteed Fund and the other 50% of the Fund managed under the Segregated Fund.

2. Scope of Work

The Board of Trustees (BoT) of the NSE & CDSC SPFS hereby requests for proposals for provision of Administrator Services.

The purpose of this Request for Proposal is to provide a fair evaluation to enable the Scheme get the best and most suitable provider in the members' interests.

The Administrator is expected to carry out full administration and accounting activities of the Scheme in accordance with the provisions of the Retirement Benefits Act and the Regulations, the Income Tax Act, the Trust Deed and Rules, any other legislation in force, all documents related to the Scheme and any amendments to all such instruments for purpose of ensuring compliance.

The scope of Administrator services for the NSE & CDSC SPFS will entail, and is not limited to, the below listed:

A. Administration Duties

- i) Carry out the daily administration of the affairs of the Scheme in accordance with the provisions of the Act and the Regulations, the Income Tax Act, the Trust Deed and Rules.
- ii) Reconciliation of contributions received on a monthly basis.
- iii) Maintenance of membership records of all types required for running of the Scheme, including records of date of birth, date joined the Scheme, date joined company, earnings, accrued benefits and options elected.
- iv) Compute and pay benefits to the members and their beneficiaries in line with the Scheme's rules (i.e. Drawdowns, Lump sums, deaths) directly as provided for in the law and the Scheme rules.
- v) Applying of tax directives, deducting and remitting of all taxes due for all Scheme operations
- vi) Attend meetings of the Board of Trustees as and when convened by the Trustees and present a report on the affairs of the Scheme including any other matters as may be required by the Trustees.
- vii) Facilitate the audit of the Scheme's Fund as required by the Law and Trust Deed and Rules.
- viii) Offer advisory and training services to the Trustees, Members and the Founder on their rights and obligations in the Scheme, and any other relevant areas.
- ix) Remitting levies due by the Scheme to the Retirement Benefits Authority(RBA) where applicable
- x) Provide assistance to the Board of Trustees in ensuring that all other service providers are providing their services in compliance with the provisions of the Act, Regulations, Trust Deed and Rules, relevant legislation and service agreements in force.
- xi) Ensure that the Scheme Fund is at all times managed in accordance with the Act, any regulations made thereunder, the Scheme rules and any directions given by the Chief Executive Officer of the Retirement Benefits Authority.
- xii) Take reasonable care to ensure that the management of the Scheme is carried out in the best interests of the members and sponsors of the Scheme.
- xiii) Facilitate access to information for Members and Trustees using various platforms as may be required
- xiv) Undertake any other relevant tasks as may be instructed by the Trustees from time to time.

B. Accounting Duties

- i) Maintaining Scheme accounts and records in a satisfactory manner and in accordance with the Act and its regulations.
- ii) Preparing and submitting the necessary information and other financial returns as may be required by the relevant statutory authorities.
- iii) Preparing the necessary financial documents and making the necessary arrangements for the annual statutory audit of the Scheme.
- iv) Facilitating the audit of the Scheme by providing all required information and support to the Scheme's auditors
- v) Checking and reconciling statements from investment managers quarterly and at the end of financial year.

C. Legal/Secretarial Duties

- i) To prepare or review the Trust Deed and Rules of the Scheme
- ii) To prepare or review all required amendments to the Trust Deed and Rules of the Scheme
- iii) Where agreed with the Trustees of the Scheme, to assist in obtaining legal opinions on matters relating to the Scheme.
- iv) To ensure all relevant Scheme documents are filed and registered in compliance with the relevant laws and regulations.
- v) Offer advisory and training services to the Trustees, Members and the Sponsor on their rights and obligations in the Scheme.

- vi) Comply with such reasonable requests as the Trustees shall from time to time make regarding the manner in which the services under this scope are to be provided

3. Proposal Guidelines & Requirements

This is an open and competitive process. The proposal must contain the signature of a duly authorized officer or agent of the company submitting the proposal.

The price you quote should be inclusive. If your price excludes certain fees or charges, you must provide a detailed list of excluded fees with a complete explanation on the nature of those fees.

If the execution of work to be performed by your organization requires the hiring of sub-contractors/consultants you must clearly state this in your proposal. The sub-contractors/Consultants must be identified and the work they will perform must be defined.

To obtain information on the Scheme or to seek any clarifications, bidders are requested to liaise with the Trust Secretary, NSE & CDSC SPFS, regarding any information that they may require before submitting a proposal.

The bidders are invited to submit a Technical Proposal and a Financial Proposal, for Provision of Administrator Services as specified in this document. The proposals for the selected firm will be the basis for negotiations and ultimately the Contract.

The Proposal will be required to include the below listed items and will be assessed on a simple pass/fail basis.

- a) **KNOW YOUR CLIENT (KYC) REQUIREMENTS FOR THIRD PARTIES** as per the Appendix
1. The KYC requirements are **MANDATORY**.
- b) The proposal will be evaluated based on both the technical and financial proposals. The weighting will be 70% technical and 30% financial.

S/N	Description	Marks
Technical Evaluation		
1.	General Information about your organization, organizational structure and understanding of the objectives	3
2.	Project team and firm experience and qualifications - Attach evidence of professional membership in relevant courses to professional bodies i.e. bachelor's degree in the following: actuarial science, law, human resources, and accountants and/or any other relevant discipline.	10
3.	Client base; evidence of at least 3 references for the Administrator services provided in the financial year 2018 to date. At least one of the references should be an RBA registered pension fund. Give the membership and the fund value of the Schemes.	10
4.	Statutory & compliance documents - licenses	5
5.	Pension accounting processes and procedures	10
6.	Risk control policy plan	5
7.	Disaster recovery policy	5
8.	Quality of reporting; kindly provide sample reports	4
9.	Details of your standard turnaround times and Customer Service Charter	3
10.	Procedure of addressing Member and Trustees' queries	2

11.	IT Resources; evidence of software systems. Demonstrate capacity to provide online access, auto sms and digitization of pension records	5
12.	Professional Indemnity Insurance	5
13.	Additional services provided/Value adds/ Strengths in comparison to competitors	3
13.	Statement of proposed fees. <i>If your price excludes certain fees or charges, you must provide a detailed list of excluded fees with a complete explanation on the nature of those fees</i>	30
Grand Total		100

Note: You may be requested to make a presentation to the BoT.

4. Contract Terms

The Board of Trustees will negotiate contract terms upon selection. All contracts are subject to review by a Committee approved by the Board of Trustees, and the tender will be awarded upon RFP evaluation to be followed by signing of an agreement or contract, which outlines terms, scope, fees and other necessary items.

5. Purpose of RFP

To contract a dynamic and all-rounded service provider who will help the two sponsor institutions to focus on their vision, mission, goals, and objectives.

6. Eligibility Criteria

All interested Pension Fund Administrators who are currently in good standing, registered as Administrators by the RBA, meet the requirements of this RFP document and have the capability to provide Administrator services for NSE & CDSC SPFS.

7. Submission Address & Timeline

The proposal should be addressed to:

**The Chairman
Board of Trustees
NSE & CDSC Staff Provident Fund Scheme
P.O Box 43633 – 00100
NAIROBI**

And submit to Email hr@nse.co.ke, hr@cdsckenya.com and copy procurement@nse.co.ke; rfp@cdsckenya.com

Proposals must be submitted not later than **Friday, 22nd January 2021 at 12 noon.**

We shall notify you on the date of presentation to the BoT after preliminary assessment of the proposals, as may be appropriate.

Disclaimer

The Board of Trustees reserves the right to reject any proposal from any firm if it does not meet the set out mandatory criteria and is not obliged to disclose reasons why.

Appendix 1

KNOW YOUR CLIENT (KYC) REQUIREMENTS FOR THIRD PARTIES	
SOLE PROPRIETOR	<ul style="list-style-type: none"> • Copy of Business Registration • Copy Business Permit • Individual KRA PIN • KRA Tax Compliance Certificate • Bank details • Copy of Utility Bill or Lease to confirm existence of the Business premises • Clientele list 2018 to date. Provide contracting document and/or reference letters. • Audited Financial Statements for the last 36 months (2017, 2018 and 2019)
LIMITED LIABILITY COMPANY	<ul style="list-style-type: none"> • Copy of the Certificate of Incorporation • Copy Business Permit • KRA PIN • KRA Tax Compliance Certificate • Copy of CR12 • Bank details • Copy of Utility Bill or Lease to confirm existence of the Business premises • Clientele list 2018 to date. Provide contracting document and/or reference letters. • Audited Financial Statements for the last 36 months (2017, 2018 and 2019)
PARTNERSHIPS	<ul style="list-style-type: none"> • Copy of Partnership Deed /OR Affidavit • Copy of Certificate of Registration • Copy of Business Permit • KRA PIN • KRA Tax Compliance Certificate • Letter signed by all the partners (on company letter head) indicating mandates to transact business on behalf of the firm. • Copy of Utility Bill or Lease to confirm existence of the Business premises • Bank details. • Clientele list 2018 to date. Provide contracting document and/or reference letters. • Audited Financial Statements for the last 36 months (2017, 2018 and 2019)