



**TENDER DOCUMENT FOR**

**DEVELOPMENT, IMPLEMENTATION AND**

**SUPPORT OF CREDIT SCORING MODEL**

**TENDER REF: MHS/PROC/CREDITSCORE/4/2026**

**TENDER DATE :13/03/2026**

**CLOSING DATE:24/03/2026**

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# 1 ADVERT

## INVITATION TO TENDER

Date: \_\_\_\_\_ REFERENCE; MHS/PROC/CREDITSCORE/4/2026

### DEVELOPMENT, IMPLEMENTATION AND SUPPORT OF A CREDIT SCORING MODEL

1. Mhasibu SACCO Society Limited invites sealed tenders from eligible candidates for the development, implementation, and support of an Credit scoring model.
2. Interested eligible candidates should download complete tender documents from the SACCO's website on [www.mhasibusacco.com/tenders](http://www.mhasibusacco.com/tenders).
  - a. Further information may be obtained from Mhasibu DT SACCO Society Limited office at ABSA Towers 8<sup>th</sup> Floor during normal working hours (8.00am -5.00pm.) or through the email address [procurement@mhasibusacco.com](mailto:procurement@mhasibusacco.com)
3. Completed tender documents (Technical and Financial Proposals) in plain sealed envelopes clearly marked with the Tender Reference Number, Tender Name and should be dropped in the Tender Box at the Society offices on or before **24<sup>th</sup> March 2026 at 12.00 noon** duly addressed to:

**The Chief Executive Officer,  
Mhasibu DT SACCO Society Limited,  
P.O. Box 31295-00600,  
NAIROBI.**

4. Prices quoted should be inclusive of all taxes and delivery costs, must be expressed in Kenya shillings and shall remain valid for a period of 90 days from the closing date of the tender.

## **2 INSTRUCTIONS TO TENDERERS**

### **2.1 Eligible tenderers**

- 2.1.1. This Invitation to tender is open to all tenderers eligible as described in the instructions to tenderers. Successful tenderers shall complete the supply of services by the intended completion date specified in the schedule of requirements.
- 2.1.2. Mhasibu SACCO Society's employees, committee members, board members and their relative (spouse and children) are not eligible to participate in the tender unless where specially allowed under section 131 of the Act.
- 2.1.3. Tenderers shall provide the qualification information statement that the tenderer (including all members, of a joint venture and subcontractors) is not associated, or have been associated in the past, directly or indirectly, with a firm or any of its affiliates which have been engaged by the Procuring Entity to provide consulting services for the preparation of the design, specifications, and other documents to be used for the procurement of the services under this Invitation for tenders.
- 2.1.4. Tenderers involved in corrupt or fraudulent practices or debarred from participating in public procurement shall not be eligible.

### **2.2 Cost of tendering**

- 2.2.1 The Tenderer shall bear all costs associated with the preparation and submission of its tender, and the procuring entity will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the tendering process.

### **2.3 The Tender Document**

- 2.3.1. The tender document comprises of the documents listed below and addenda issued in accordance with these instructions to tender.
  - i) Invitation to tender
  - ii) Instructions to tenderers

- iii) General Conditions of Contract
- iv) Special Conditions of Contract
- v) Schedule of Requirements & Technical specifications
- vi) Standard Forms

2.3.2. The Tenderer is expected to examine all instructions, forms, terms, and specifications in the tender documents. Failure to furnish all information required by the tender documents or to submit a tender not substantially responsive to the tender documents in every respect will be at the tender's risk and may result in the rejection of its tender.

## **2.4 Clarification of Documents**

2.4.1. A prospective candidate making inquiries of the tender document may notify the Procuring entity in writing or by post or email at entity's address indicated in the Invitation for tenders. The Procuring entity will respond in writing to any request for clarification of the tender documents, which it receives no later than seven (7) days prior to the deadline for the submission of tenders, prescribed by the procuring entity. Written copies of the Procuring entities response (including an explanation of the query but without identifying the source of inquiry) will be sent to all prospective tenderers who have received the tender documents.

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

## **2.5 Amendment of documents**

2.5.1. At any time prior to the deadline for submission of tenders, the Procuring entity, for any reason, whether at its own initiative or in response to a clarification requested by a prospective tenderer, may modify the tender documents by issuing an addendum.

2.5.2. All prospective tenderers who have obtained the tender documents will be notified of the amendment by email and such amendment will be binding on them.

2.5.3. To allow prospective tenderers reasonable time in which to take the amendment into account in preparing their tenders, the Procuring entity, at its discretion, may extend the deadline for the submission of tenders.

## **2.6 Language of tender**

2.6.1. The tender prepared by the tenderer, as well as all correspondence and documents relating to the tender exchanged by the tenderer and the Procuring entity, shall be written in English language. Any printed literature furnished by the tenderer may be written in another language provided they are accompanied by an accurate English translation of the relevant passages in which case, for purposes of interpretation of the tender, the English translation shall govern.

## **2.7 Form of Tender**

The tenderers shall complete the Form of Tender and the appropriate Price Schedule furnished in the tender documents, indicating the model to be supplied and a brief description of the services and process.

## **2.8 Tender Prices**

2.8.1. The tenderer shall indicate on the Price schedule the unit prices where applicable and total tender prices of the model it proposes to provide under the contract.

2.8.2. Prices indicated on the Price Schedule shall include all costs including taxes, insurances and delivery to the premises of the entity.

2.8.3. Prices quoted by the tenderer shall remain fixed during the term of the contract and not subject to variation on any account. A tender submitted with an adjustable price quotation will be treated as non-responsive and will be rejected, pursuant to paragraph 2.23.

2.8.4. The validity period of the tender shall be 90 days from the date of opening the tender.

## **2.9 Tender Currencies**

2.9.1 Prices shall be quoted in **Kenya Shillings**

**2.10 Tenderers’ Eligibility and Qualifications.**

2.10.1 Pursuant to Clause 2.10 the tenderer shall furnish, as part of its tender, documents establishing the tenderers’ eligibility to tender and its qualifications to perform the contract if its tender is accepted.

2.10.2 The documentary evidence of the tenderers’ eligibility to tender shall establish to the Procuring entity’s satisfaction that the tenderer, at the time of submission of its tender, is from an eligible source county as defined under paragraph 2.10.

2.10.3 The Bidders must qualify the following eligibility criteria and should submit required documentary evidence as indicated below. Bids which fail to qualify any of the following criteria will be rejected.

**Mandatory Requirements**

No.	Description	Yes	No
1	Certified copies of Certificate of Registration or Incorporation of the company (Consideration being at least three years’ experience in provision of development of Credit scoring model.)		
2	Evidence of office premises and physical location		
3	Valid copy of company Tax Compliance certificate not older than 12 months		
4	Certified copies of Pin Certificate of the firm		
5	Company Profile		
6	Current CR 12 form not older than 12 months.		
7	Valid trading license		
8	Three reference letters from previous organizations specifically local (Kenya based) financial institutions served with the same solution with contact persons and telephone/email contacts.		
9.	Curriculum Vitae and academic & Professional Certificates for key personnel to be assigned the project.		
10	Manufacturer/Dealers authorization letter for Computers/Equipment/System where applicable.		
11	Certified copies of Audited Financial Statements for the last three years		
11	Name of the Credit scoring model		

**Notes**

- i) Only bidders who provide all the mandatory requirements will proceed to the technical evaluation.
- ii) Submission of all mandatory requirements is compulsory for the authorizing firm in an instance where supply and development of Credit scoring model is subcontracted to an agent.

**Technical Evaluation Criteria (70 Points)**

<i>The tenderers shall be evaluated based on the criteria indicated below. To succeed at this stage a bidder must score at least 70% at this level. Evidence must be provided.</i>			
<b>Evaluation Criteria</b>		<b>Maximum Score</b>	<b>Score Attained</b>
<b>Adequacy of the Proposed Methodology:</b>	Attach a comprehensive proposal highlighting the following: <ul style="list-style-type: none"> <li>▪ Methodology/Implementation Plan</li> <li>▪ Functionality</li> <li>▪ Data integrity</li> <li>▪ Reporting</li> <li>▪ Usability</li> <li>▪ Security and compliance</li> <li>▪ Integrations</li> <li>▪ Accessibility</li> <li>▪ Source Code and Licences</li> <li>▪ Training and support</li> <li>▪ Service Level agreements indicating timelines.</li> <li>▪ Evidence of 1-year professional indemnity insurance cover with a reputable insurance company.</li> </ul>	30	
<b>Subtotal</b>		<b>30</b>	
<b>Operational Capacity</b>	Experience in executing similar services in the last 5 years. Provide at least three recommendation letters and copies of contract/purchase orders from local (Kenya based) financial institutions past similar experience. Provide professional	20	

	indemnity cover with a reputable insurance company.		
	Proven capacity of key personnel to be involved in the project	10	
<b>Subtotal</b>		<b>30</b>	
<b>Financial Capacity</b>	1.Asset Base 2.Demonstrate financial capacity in the past three years.	10	
<b>Subtotal</b>		<b>10</b>	
<b>Total</b>		<b>70</b>	

**Notes.**

- i. All bidders are expected to disclose fully all matters of their business without reservation which must include but not limited to all inclusions, riders, and enhancements.
- ii. Undisclosed items may jeopardize the contract even when awarded.
- iii. Bidders who submit two bids with different prices will automatically be disqualified.

**Demonstration of proposed solution (20 points)**

To qualify for demo evaluation, the bidder must have fulfilled all the mandatory requirements and scored 70% of the technical evaluation. Upon demonstration, there will be a combined technical and demo score to form the basis for financial evaluation and final score.

**Financial Evaluation Criteria (10 points)**

To qualify for financial evaluation, the bidder must have fulfilled all mandatory requirements and attained a combined score of 70% on the technical & demo evaluation. The bidder attaining 70% on the combined score (Technical, Demo and financial evaluation) shall proceed to the final stage.

2.10.4 The documentary evidence of the tenderers qualifications to perform the contract if its tender is accepted shall be established to the procuring entity’s satisfaction.

- i. That in case of a tenderer offering to supply services under the contract which the tenderer did not manufacture or otherwise produce, the tenderer has been duly authorized by the models' Manufacturer to supply the model.
- ii. That the tenderer has the financial, technical and production capabilities necessary to fulfil the contract.
- iii. That in case the tenderer not doing business within Kenya, the tenderer is or will be (if awarded the contract) represented by an agent in Kenya equipped and able to carry out the tenderer's maintenance, repair, and spare parts-stocking obligations prescribed in the conditions of contact and technical specifications.

## **2.11 Validity of Tenders**

2.11.1 Tenders shall remain valid for 90 days or as specified in the invitation to tender after date of tender opening prescribed by the Procuring entity, pursuant to paragraph 2.16. A tender valid for a shorter period shall be rejected by the Procuring entity as nonresponsive.

2.11.2 In exceptional circumstances, the Procuring entity may solicit the Tenderer's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing.

## **2.12 Format and Signing of Tender**

2.12.1 The tenderer shall prepare two copies of the tender, clearly / marking each "ORIGINAL TENDER" and "COPY OF TENDER," as appropriate. In the event of any discrepancy between them, the original shall govern.

2.12.2 The original and all copies of the tender shall be typed or written in indelible ink and shall be signed by the tenderer or a person or persons duly authorized to bind the tenderer to the contract. All pages of the tender, except for unamended printed literature, shall be initialed by the person or person signing the tender.

2.12.3 The tender shall have no interlineations, erasures, or overwriting except as necessary to correct errors made by the tenderer, in which case such corrections shall be initialed by the person or person signing the tender.

## **2.13 Sealing and Marking of Tenders**

2.13.1 The tenderer shall seal the original and each copy of the tender in separate envelopes, duly marking the envelopes as “ORIGINAL” and “COPY.” The envelopes shall then be sealed in an outer envelope.

2.13.2 The inner and outer envelopes shall:

(a) Addressed to the Procuring entity at the address given in the invitation to tender.

(b) Bear, tender number, and name in the invitation to tender and the words: “DO NOT OPEN BEFORE **(24<sup>th</sup> March 2026),**”

2.13.3 The inner envelopes shall also indicate the name and address of the tenderer to enable the tender to be returned unopened in case it is declared “late”. —

2.13.4 If the outer envelope is not sealed and marked as required by paragraph 2.13.2, the Procuring entity will assume no responsibility for the tender’s misplacement or premature opening.

## **2.14 Deadline for Submission of Tenders**

2.14.1 Tenders must be received by the Procuring entity at the address specified under paragraph 2.14.2 no later than **24<sup>th</sup> March 2026, 12PM.**

2.14.2 The procuring entity may, at its discretion, extend this deadline for the submission of tenders by amending the tender documents in which case all rights and obligations of the procuring entity and candidates previously subject to the deadline will thereafter be subject to the deadline as extended.

2.14.3 Bulky tenders which will not fit in the tender box shall be received by the Procuring Entity at the reception area.

## **2.15 Modification and withdrawal of tenders**

2.15.1 The tenderer may modify or withdraw its tender after the tender’s submission, provided that written notice of the modification, including substitution or withdrawal of the tender’s is received by the procuring entity prior to the deadline prescribed for the submission of tenders.

- 2.15.2 The Tenderer's modification or withdrawal notice shall be prepared, sealed, marked, and dispatched in accordance with the provisions of paragraph 2.13. A withdrawal notice may also be sent by cable, but followed by a signed confirmation copy, postmarked not later than the deadline for submission of tenders.
- 2.15.3 No tender may be modified after the deadline for submission of tenders.
- 2.15.4 No tender may be withdrawn in the interval between the deadline for submission of tenders and the expiration of the period of tender validity specified by the tenderer on the Tender Form.
- 2.15.5 The procuring entity may at any time terminate procurement proceedings before contract award and shall not be liable to any person for the termination.
- 2.15.6 The procuring entity shall give prompt notice of the termination to the tenderers and on request give its reasons for termination within 14 days of receiving the request from any tenderer.

## **2.16 Opening of Tenders**

- 2.16.1 The Procuring entity will open all tenders in the presence of tenderers' representatives who choose to attend, at (**24<sup>th</sup> March 2026** at 12pm), and in the location specified in the invitation to tender. The tenderers' representatives who are present shall sign a register evidencing their attendance.
- 2.16.2 The tenderers' names, tender modifications or withdrawals, tender prices, discounts and such other details as the Procuring Entity at its discretion may consider appropriate, will be announced at the opening.
- 2.18.4 The procuring entity will prepare minutes of the tender opening.

## **2.17 Clarification of tenders**

- 2.17.1 To assist in the examination, evaluation, and comparison of tenders the Procuring Entity may, at its discretion, ask the tenderer for a clarification of its tender. The request for clarification and the response shall be in writing, and no change in the prices or substance shall be sought, offered, or permitted.

2.17.2 Any effort by the tenderer to influence the procuring entity in the Procuring Entity's tender evaluation, tender comparison or contract award decisions may result in the rejection of the tenderer's tender.

## **2.18 Preliminary Examination and Responsiveness**

2.18.1 The Procuring Entity will examine the tenders to determine whether they are complete, whether any computational errors have been made, whether required securities have been furnished whether the documents have been properly signed, and whether the tenders are generally in order.

2.18.2 Arithmetical errors will be rectified on the following basis. If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail, and the total price shall be corrected. If the candidate does not accept the correction of the errors, its tender will be rejected, and its tender security may be forfeited. If there is a discrepancy between words and figures, the amount in words will prevail.

2.18.3 The Procuring Entity may waive any minor informality or nonconformity or irregularity in a tender which does not constitute a material deviation, provided such waiver does not prejudice or affect the relative ranking of any tenderer.

2.18.4 Prior to the detailed evaluation, pursuant to paragraph 2.22, the Procuring Entity will determine the substantial responsiveness of each tender to the tender documents. For purposes of these paragraphs, a substantially responsive tender is one which conforms to all the terms and conditions of the tender documents without material deviations. The Procuring Entity's determination of a tender's responsiveness is to be based on the contents of the tender itself without recourse to extrinsic evidence.

2.18.5 If a tender is not substantially responsive, it will be rejected by the Procuring entity and may not subsequently be made responsive by the tenderer by correction of the nonconformity.

## **2.19 Conversion to a single currency**

2.19.1 Where other currencies are used, the procuring entity will convert those currencies to Kenya shillings using the selling exchange rate on the date of tender closing provided by the Central Bank of Kenya.

## **2.20 Evaluation and comparison of tenders.**

2.20.1 The procuring entity will evaluate and compare the tenders which have been determined to be substantially responsive, pursuant to paragraph 2.22.

The tender evaluation committee shall evaluate the tender within 30 days from the date of opening the tender.

2.20.2 To qualify for contract awards, the tenderer shall have the following: -

- (a) Necessary qualifications, capability experience, services, equipment, and facilities to provide what is being procured.
- (b) Legal capacity to enter into a contract for procurement.
- (c) Shall not be insolvent, in receivership, bankrupt or in the process of being wound up and is not the subject of legal proceedings relating to the foregoing.
- (d) Shall not be debarred from participating in public procurement.

## **2.21 Contacting the procuring entity**

2.21.1 Subject to paragraph 2.17, no tenderer shall contact the procuring entity on any matter relating to its tender, from the time of the tender opening to the time the contract is awarded.

2.21.2 Any effort by a tenderer to influence the Procuring Entity in its decisions on tender evaluation tender comparison or contract award may result in the rejection of the tenderer's tender.

## **2.22 Award of Contract**

### **a) Post qualification**

2.22.1 In the absence of pre-qualification, the Procuring Entity will determine to its satisfaction whether the tenderer that is selected as having submitted the lowest evaluated responsive tender is qualified to perform the contract satisfactorily.

- 2.22.2 The determination will consider the tenderer's financial and technical capabilities. It will be based upon an examination of the documentary evidence of the tenderer's qualifications submitted by the tenderer, pursuant to paragraph 2.1.2, as well as such other information as the Procuring Entity deems necessary and appropriate.
- 2.22.3 An affirmative determination will be a prerequisite for award of the contract to the tenderer. A negative determination will result in rejection of the Tenderer's tender, in which event the Procuring Entity will proceed to the next lowest evaluated tender to make a similar determination of that Tenderer's capabilities to perform satisfactorily.

**b) Award Criteria**

- 2.22.4 The Procuring Entity will award the contract to the successful tenderer whose tender has been determined to be substantially responsive and has been determined to be the lowest evaluated tender, provided further that the tenderer is determined to be qualified to perform the contract satisfactorily.
- 2.22.5 The Procuring Entity reserves the right to accept or reject any tender and to annul the tendering process and reject all tenders at any time prior to contract award, without thereby incurring any liability to the affected tenderer(s) or any obligation to inform the affected tenderer(s) of the grounds for the procuring entity's action. If the Procuring Entity determines that none of the tenderers is responsive; the Procuring Entity shall notify each tenderer who submitted a tender.
- 2.22.6 A tenderer who gives false information in the tender document about its qualification or who refuses to enter a contract after notification of contract award shall be considered for debarment from participating in future public procurement.

**2.23 Notification of award**

- 2.23.1 Prior to the expiration of the period of tender validity, the Procuring Entity will notify the successful tenderer in writing that its tender has been accepted.
- 2.23.2 The notification of award will signify the formation of the Contract subject to the signing of the contract between the tenderer and the Procuring Entity pursuant to clause 3.

Simultaneously the other tenderers shall be notified that their tenders have not been successful.

2.23.3 Upon the successful Tenderer's furnishing of the performance security pursuant to paragraph 2.25, the Procuring Entity will promptly notify each unsuccessful Tenderer.

## **2.24 Signing of Contract**

2.24.1 At the same time as the Procuring Entity notifies the successful tenderer that its tender has been accepted, the Procuring Entity will simultaneously inform the other tenderers that their tenders have not been successful.

2.24.2 Within fourteen (14) days of receipt of the Contract Form, the successful tenderer shall sign and date the contract and return it to the Procuring Entity.

2.24.3 The parties to the contract shall have it signed within 30 days from the date of notification of contract award unless there is an administrative review request.

## **2.25 Performance Security**

2.25.1 Within thirty (30) days of the receipt of notification of award from the Procuring Entity, the successful tenderer shall furnish the performance security in accordance with the Conditions of Contract, in the Performance Security Form provided in the tender documents, or in another form acceptable to the Procuring Entity.

2.25.2 Failure of the successful tenderer to comply with the requirement of paragraph 2.25 or paragraph 2.26 shall constitute sufficient grounds for the annulment of the award and forfeiture of the tender security, in which event the Procuring Entity may make the award to the next lowest evaluated or call for new tenders.

## **2.26 Corrupt or Fraudulent Practices**

2.26.1 The Procuring Entity requires that tenderers observe the highest standard of ethics during the procurement process and execution of contracts. A tenderer shall provide a signed declaration that they have not and will not be involved in corrupt or fraudulent practices.

2.26.2 The Procuring Entity will reject a proposal for award if it determines that the tenderer recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question.

2.26.3 Further, a tenderer who is found to have indulged in corrupt or fraudulent practices risks being debarred from participating in public procurement in Kenya.

### **3 GENERAL CONDITIONS OF CONTRACT**

#### **3.1 Definitions**

In this contract the following terms shall be interpreted as indicated:

- a) “The contract” means the agreement entered between the Procuring Entity and the tenderer as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- b) “The Contract Price” means the price payable to the tenderer under the Contract for the full and proper performance of its contractual obligations.
- c) “The Procuring Entity” means the organization sourcing for the services under this Contract.
- d) “The contractor means the individual or firm providing the services under this Contract.

#### **3.2 Application**

3.2.1. These General Conditions shall apply in all contracts made by the Procuring Entity for the procurement, implementation and commissioning of the equipment and systems.

#### **3.3 Standards**

3.3.1. The services provided under this Contract shall conform to the standards mentioned in the Schedule of Requirements.

#### **3.4 Patent Right's**

3.4.1. The tenderer shall indemnify the Procuring Entity against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the services under the contract or any part thereof.

### **3.5 Performance Security**

- 3.5.1. Within thirty (30) days of receipt of the notification of Contract award, the successful tenderer shall furnish to the Procuring Entity the performance security where applicable in the amount specified in invitation to tender.
- 3.5.2. The proceeds of the performance security shall be payable to the Procuring Entity as compensation for any loss resulting from the Tenderer's failure to complete its obligations under the Contract.
- 3.5.3. The performance security shall be denominated in the currency of the Contract, or in a freely convertible currency acceptable to the Procuring Entity and shall be in form of a bank guarantee issued by a reputable bank located in Kenya, or a guarantee issued by a reputable insurance company in the form provided in the tender documents or another form acceptable to the Procuring Entity and valid for 30 days beyond the validity of the tender.
- 3.5.4. The performance security will be discharged by the Procuring Entity and returned to the candidate not later than thirty (30) days following the date of completion of the tenderer's performance of obligations under the contract, including any warranty obligations under the contract.

### **3.6 Inspections and Tests**

- 3.6.1. The Procuring Entity or its representative shall have the right to inspect and/or to test the services to confirm their conformity to the Contract specifications.
- 3.6.2. The inspections and tests may be conducted on the premises of the tenderer or its subcontractor(s). If conducted on the premises of the tenderer or its subcontractor(s), all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Procuring Entity.
- 3.6.3. Should any inspected or tested services fail to conform to the Specifications, the Procuring Entity may reject the services, and the tenderer shall either replace the rejected services or make alterations necessary to meet specification requirements free of cost to the Procuring Entity.
- 3.6.4. Nothing in paragraph 3.7 shall in any way release the tenderer from any warranty or other obligations under this Contract.

### **3.7 Delivery of services/Model.**

3.7.1. Delivery of the model shall be made by the tenderer in accordance with the terms specified by the Procuring Entity in its schedule of requirements and the special conditions of contract.

### **3.8 Payment**

3.8.1 The method and conditions of payment to be made to the tenderer under this Contract shall be specified in general conditions of contract.

### **3.9 Prices**

3.9.1. Prices charged by the tenderer for services performed under the Contract shall not, with the exception of any Price adjustments authorized in special conditions of contract, vary from the prices by the tenderer in its tender.

3.9.2. Contract price variations shall not be allowed for contracts not exceeding one year.

3.9.3. Where a contract price variation is allowed, the variation shall not exceed 10% or the original contract price.

3.9.4. Price variation request shall be processed by the Procuring Entity within 30 days of receiving the request.

### **3.10 Assignment**

3.10.1. The tenderer shall not assign, in whole or in part, its obligations to perform under this contract, except with the Procuring Entity prior written consent.

### **3.11 Subcontracts**

3.11.1. The tenderer shall notify the Procuring Entity in writing of all subcontracts awarded under this contract if not already specified in the tender. Such notification, in the original tender or later, shall not relieve the tenderer of any liability or obligation under the contract.

### **3.12 Termination for Default**

3.12.1. The Procuring Entity may, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the tenderer, terminate this Contract in whole or in part:

- a) if the tenderer fails to provide any or all the services within the period(s) specified in the Contract, or within any extension thereof granted by the Procuring Entity.

- b) if the tenderer fails to perform any other obligation(s) under the Contract.
- c) if the tenderer, in the judgment of the Procuring Entity, has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.

3.12.2. In the event the Procuring Entity terminates the Contract in whole or in part, it may procure, upon such terms and in such manner as it deems appropriate services like those undelivered, and the tenderer shall be liable to the Procuring Entity for any excess costs for such similar services.

### **3.13 Termination of insolvency**

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

### **3.14 Termination for convenience**

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

3.14.2. For the remaining part of the contract, after termination, the Procuring Entity may elect to cancel the services and pay the contractor on agreed amount for partially completed services.

### **3.15 Resolution of disputes**

3.15.1. The Procuring Entity and the contractor shall make every effort to resolve amicably by direct informal negotiations any disagreement or dispute arising between them under or in connection with the contract.

3.15.2. If after thirty (30) days from the commencement of such informal negotiations both parties have been unable to resolve amicably a contract dispute either party may require that the dispute be referred for resolution to the formal mechanisms specified in the Special conditions of contract.

### **3.16 Governing Language**

3.16.1. The contract shall be written in the English language. All correspondence and other documents pertaining to the contract, which are exchanged by the parties, shall be written in the same language.

### **3.17 Force Majeure**

3.17.1. The contractor shall not be liable for forfeiture of its performance security, or termination for default if and to the extent that its delay in performance or other failure to perform its obligations under the Contract is the result of an event of Force Majeure.

### **3.18 Applicable Law.**

3.18.1. The contract shall be interpreted in accordance with the Laws of Kenya.

## 4 SCHEDULE OF REQUIREMENTS AND TECHNICAL SPECIFICATIONS

### INTERNAL CREDIT SCORING SPECIFICATIONS AND REQUIREMENTS

#### 4.1.1 Background and Objectives

The purpose is for the service provider to deliver a complete solution for evaluating the creditworthiness of a borrower and determine the likelihood of default on credit obligations. The model should evaluate various factors including credit bureaus scores, transaction patterns, credit behavior, repayment history and recent credit inquiries among others.

The solution should enable the SACCO to achieve the following objectives.

- **Enhanced Risk Management:** The advanced scoring model and comprehensive KYC analysis should result in more accurate risk assessment, reducing the likelihood of defaults.
- **Unified model:** To have a solution that is able to evaluate credit worthiness of diverse and different businesses, sources of income and purpose.
- **Operational Efficiency:** Streamlined workflows and integration with existing systems to reduce paperwork and improve the efficiency of loan officers and back-office operations.
- **Real-time Decision Making:** Real-time data integration and monitoring to allow for better decision-making and proactive risk management.
- **Standardize credit decision-making.**
- **Improve the overall credit quality according to Sacco's risk appetite.**

#### **Expected benefits to the Sacco.**

The scoring model will enable Sacco to come up with a risk score band to support decision-making in the following areas

- Loan eligibility and maximum loan multipliers per member
- Review of the guarantor ship framework and guarantee limits based on risk
- Risk-based credit pricing
- Integration with IFRS 9 expected credit loss (ECL) modelling
- Portfolio monitoring, early warning signals, and trend analysis.

#### 4.1.2 Requirements

##### 1. Functionality

- **Machine Learning Models:** Develop and fine-tune predictive models using machine learning algorithms to analyze internal customer account activity. The model should assess transaction patterns, credit behavior and repayment history.

- **Strength of Relationship:** Measure the strength of the customer's relationship with the Sacco by analyzing the frequency and depth of interactions, account tenure, and product usage.
- **External Data Analysis:** Incorporate external data sources, such as M-pesa and bank statements to further refine the behavioral score, providing a more comprehensive risk assessment.
- **CRB Real-time Validation:** Integrate with Credit Reference Bureaus to validate and continuously monitor customer credit records in real-time.
- **KYC Analysis:** Implement a robust KYC analysis module to verify customer identities.
- **Business Rules:** Apply a comprehensive set of business rules to customer data, both for initial application screening and ongoing monitoring.
- **Behavioral Score Integration:** Seamlessly integrate the behavioral score from the Scoring Model to enhance risk assessment.
- **System Integration:** Establish secure and efficient connections with existing tools and systems, including core banking, Document Management System (DMS), and CRB integration.
- **Residual Limit Calculation:** Utilize historical data and risk assessment results to calculate the customer's residual limit, which indicates the additional amount they can borrow without exceeding their credit risk threshold.
- **Guarantor ship strength:** quality and number of guarantors, coverage ratios, concentration risk.
- The model should be able to provide loan eligibility in terms of rating/score, reasons for the rating, loan limit/ qualification for both mobile loans and other loans.
- Calculate the optimal loan tenure based on the customer's profile and risk assessment.

## **2. Data integrity**

- The credit scoring model should handle various types of data sources such as credit bureau data, transactional and application data.
- The credit scoring model should protect source data integrity with read-only access to all imported datasets to protect confidentiality and integrity of data.

## **3. Reporting**

- The Credit scoring model should provide real time credit score for each customer.
- The Credi scoring model should allow for customization of reports and analytics to meet the specific needs of the SACCO.
- The Credit scoring model system should generate comprehensive and customizable reports that are easy to interpret.

#### **4. Usability**

- The credit scoring model should have a user-friendly interface and be easy to learn and utilize.
- The credit scoring model should be tailored to meet the Sacco needs, i.e evaluate creditworthiness and determine the likelihood of default on credit obligations.

#### **5. Security and compliance**

- The Credit scoring model should have a role-based access control.
- The Credit scoring model should include user authentication.
- The Credit scoring model system should have user activity logs.
- The Credit scoring model ought to comply with data privacy regulations.
- The Credit scoring model should not interrupt any existing security processes in other systems.
- The Credit scoring model should accommodate data encryption to protect sensitive information.

#### **6. Integration**

- The Credit scoring model should be able to integrate with but not limited to the following systems for seamless data sharing.
  - i. Microsoft Dynamics Nav 365 ERP
  - ii. Credit referencing bureaus.
  - iii. Any other necessary for optimal utilization and value of the system.

#### **7. Accessibility**

- The Credit scoring model should be accessible on both Web and App.
- The Credit scoring model should have a system-based licence model (concurrent) that can allow multi-users to access.

#### **8. Source Code**

- To be fully owned by Mhasibu DT SACCO Society Limited

#### **9. Licences**

- Mhasibu DT SACCO Society Limited must own the licences

#### **10. Training and support**

- Sufficient training and hand holding prior, during and after implementation.

- Service provider should offer accessible support (minimum of 1-year free support) and have a record of providing regular updates/patches and fixes if problems arise with the program.

## **11. Documentation**

- Prepare comprehensive documentation detailing model methodology, assumptions, limitations, and governance framework.

## **5 STANDARD FORMS**

### **5.1 Notes on standard forms**

1. The tenderer shall complete and submit with its tender the form of tender and price schedules pursuant to instructions to tenderers clause 2.7 and in accordance with the requirements included in the general conditions of contract.
2. When requested by the appendix to the instructions to tenderers, the tenderer should provide the tender security in a form acceptable to the procuring Entity.
3. The contract form, the price schedules and the schedule of requirements shall be deemed to form part of the contract and should be modified accordingly at the time of contract award to incorporate corrections or modifications agreed by the tenderer and the Procuring Entity in accordance with the instructions to tenderers or general conditions of contract.
4. The performance security and bank guarantee for advance payment forms should not be completed by the tenderers at the time of tender preparation. Only the successful tenderer will be required to provide performance/entity and bank guarantee for advance payment forms in accordance with the forms indicated herein or in another form acceptable to the procuring entity and pursuant to the conditions of contract.
5. The principal's or manufacturer's authorization form should be completed by the principal or the manufacturer, as appropriate in accordance with the tender documents.

### **The standard forms shall include.**

1. Form of tender
2. Price schedules
3. Performance Security Form
4. Personnel capabilities of key staff
5. Confidential Questionnaire form
6. Declaration form

**5.2 FORM OF TENDER**

Date \_\_\_\_\_  
Tender No. \_\_\_\_\_

To.....

.....

[Name and address of Procuring Entity]

Gentlemen and/or Ladies:

1. Having examined the tender documents including Addenda Nos.....  
*[insert numbers]* the receipt of which is hereby duly acknowledged, we, the undersigned, offer to supply, deliver, install and commission..... *[description of services]* in conformity with the said tender documents for the sum of .....  
*[total tender amount in words and figures]* or such other sums as may be ascertained in accordance with the Schedule of Prices attached herewith and made part of this Tender.
2. We undertake, if our Tender is accepted, to deliver, install and commission the infrastructure and systems in accordance with the delivery schedule specified in the Schedule of Requirements.
3. If our Tender is accepted, we will obtain the tender guarantee in a sum equivalent to .....percent of the Contract Price for the due performance of the Contract, in the form prescribed by Mhasibu DT SACCO Society Limited
4. We agree to abide by this Tender for a period of..... *[number]* days from the date fixed for tender opening of the Instructions to tenderers, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.
5. Until a formal Contract is prepared and executed, this Tender, together with your written acceptance thereof and your notification of award, shall constitute a binding Contract between us.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20

*[signature]*

*[In the capacity of]*

Duly authorized to sign tender for and on behalf of \_\_\_\_\_

## 5.3 PRICE SCHEDULES

### 1. CREDIT SCORING MODEL

Phase	Activity	Total Price
<b>Data preparation</b>		
<b>Modelling</b>		
<b>Implementation</b>		
<b>Support SLA Cost</b> <i>Give cost of SLA for Maintenance, Support &amp; Updates</i>		

### 2. OTHER COSTS

Item	Description	Total Price
Other Costs (Specify)		

### 3. TOTAL PROJECT COST (1+2)

Total Costs	
Total Cost Inclusive of VAT	

Signature of tenderer \_\_\_\_\_

**5.4 PERFORMANCE SECURITY FORM**

To: .....

[name of the Procuring Entity]

WHEREAS..... [name of tenderer]

(hereinafter called “the tenderer”) has undertaken, in pursuance of Contract No. \_\_\_\_\_ [reference number of the contract] dated \_\_\_\_\_ 20 \_\_\_\_\_ to

supply.....

[Description services] (Hereinafter called “the contract”)

AND WHEREAS it has been stipulated by you in the said Contract that the tenderer shall furnish you with a bank guarantee by a reputable bank for the sum specified therein as security for compliance with the Tenderer’s performance obligations in accordance with the Contract.

AND WHEREAS we have agreed to give the tenderer a guarantee:

THEREFORE, WE hereby affirm that we are Guarantors and responsible to you, on behalf of the tenderer, up to a total of .....  
*[amount of the guarantee in words and figures],*

and we undertake to pay you, upon your first written demand declaring the tenderer to be in default under the Contract and without cavil or argument, any sum or sums within the limits of .....  
*[amount of guarantee]* as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This guarantee is valid until the \_\_\_\_\_ day of 20

\_\_\_\_\_  
Signature and seal of the Guarantors.

\_\_\_\_\_  
*[name of bank or financial institution]*

\_\_\_\_\_  
*[address]*

\_\_\_\_\_  
*[date]*

*(Amend accordingly if provided by Insurance Company)*

**5.5 PERSONNEL (PERSONNEL CAPABILITIES OF KEY STAFF)**

The names, pertinent information, and CVs of the key personnel for individual or group to execute the contract must be indicated below.

**1). List key proposed management position**

1	Title of position	
	Experience of the candidate (Years)	
	Academic Qualification	
2	Title of position	
	Experience of the candidate (Years)	
	Academic Qualification	
3	Title of position	
	Experience of the candidate (Years)	
	Academic Qualification	
4	Title of position	
	Experience of the candidate (Years)	
	Academic Qualification	

Attach copies of academic certificates of at least 2 key personnel in the organization

**5.6 CONFIDENTIAL BUSINESS QUESTIONNAIRE**

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

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

<p><b><i>Part I-General:</i></b></p> <p>Business</p> <p>Name.....</p> <p>Location of business.....</p> <p>Premises.....</p> <p>Plot No.....</p> <p>Street/Road.....</p> <p>Maximum value of business which you can handle at any time: Kshs.....</p>																			
<p><b><i>Part 2 (a) – Sole Proprietor</i></b></p> <p>Your name in full..... Age.....</p> <p>Nationality.....Country of origin.....</p>																			
<p><b><i>Part 2 (b) –Partnership</i></b></p> <p>Given details of partners as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 25%;">Name</th> <th style="width: 25%;">Nationality</th> <th style="width: 25%;">Citizens of origin</th> <th style="width: 25%;">Shares</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>				Name	Nationality	Citizens of origin	Shares												
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<p><b><i>Part 2 (c) Registered Company</i></b></p> <p>Private or Public.....</p> <p>State the nominal and issued of company-</p> <p>Nominal Kshs.....</p>																			

	Issued Kshs.....  Give details of all directors as follows:			
	Name	Nationality	Citizens of origin	Shares
Date.....  Signature of Candidate.....				

\* If Kenya Citizen, indicate under “Citizenship Details” whether by Birth, Naturalization or Registration.

**DECLARATION**

Application must include a sworn statement Form below by the renderer ensuring the accuracy of the information given.

I/ We do hereby certify that the above information is correct in all respects:

Full Names: .....

Designation/Position: .....

Signature: .....

Date: .....

Company Stamp/ Seal: