

Tender Package — Request for Proposal (RFP)



1. Invitation to Tender

Tender Name: Payroll Automation System		Tender No: MCK-NBO-PAYROLL-023-008
Location: Nairobi		Correspondence Language(s): English
<p>Background Information:</p> <p>Mercy Corps (MC) is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we collaborate to put bold solutions into action- helping people triumph over adversity and build stronger communities from within, now and in the future. To do this, we know our teams do their best work when they are diverse and every team member feels that they belong. We welcome diverse backgrounds, perspectives, and skills so that we can be stronger and have long term impact.</p> <p>Mercy Corps has been present in Kenya since 2008 and has to date built a robust and diverse portfolio of programs working to enable Kenyans affected by poverty, resource scarcity and conflict – in particular the youth, women, adolescents and marginalized communities – to be healthy, productive and to drive peace and development of their communities. To do this, we deliver integrated programming to strengthen resilience, market and governance systems, and address the root causes of conflict. Mercy Corps Kenya (MCK) also collaborates with neighboring countries to implement a number of multi-country and cross-border programs.</p> <p>As an organization operating in Kenya, we understand the importance of having a reliable and efficient payroll system in place. It ensures that our employees receive their salaries accurately and on time, and that we comply with the relevant taxation and regulatory standards in the country. To achieve this, we are seeking a payroll system that meets several standards, including industry-standard security protocols to protect our employees' sensitive data from unauthorized access, breaches, or cyber-attacks. The system should also be user-friendly, providing relevant and timely reports to help us make informed decisions.</p> <p>Data security is critical to us, and we require the payroll system to comply with data protection regulations in Kenya and provide adequate backup and recovery processes to safeguard data in case of disasters or system failures. The system must also be able to generate accurate and timely tax calculations and payments, including deductions for income tax, National Social Security Fund (NSSF), National Hospital Insurance Fund (NHIF), and other levies or taxes required by law.</p> <p>In addition, we require the payroll system to integrate with our other HR and financial systems, such as accounting software, to ensure consistency and accuracy in data processing and reporting</p> <p>By meeting these standards, the payroll system will help us manage our payroll process more efficiently and accurately, while complying with legal and regulatory requirements in Kenya.</p>		

Tender Package Available from: (25 / 05/ 2023)	Tender Package Pickup Location: https://www.mercycorps.org/tenders
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Deadline for Offer Submission:
(02 / 06/ 2023; 1700hrs)

Submit Offers to:

ke-bids@mercycorps.org

Clearly state Tender number “MCK-NBO-PAYROLL-023-008” on the subject line of the email.

ONLY SOFT COPIES OF TENDER APPLICATIONS WILL BE ACCEPTED

Mercy Corps reserves the right to accept or reject any late offers

Questions and Answers (Q&A)

If any, Submit Questions in writing to: ke-pr@mercycorps.org Clearly state Tender number “**MCK-NBO-PAYROLL-023-008**” on the subject line of the email.

Last Day for Questions:
(30/ 05 / 2023; 1700hrs)

Questions will be answered by:
(31/ 05 / 2023; 1700hrs)

Questions will be answered through: All questions and answers will be posted in the Mercy Corps website

Documentation Checklist

These documents are contained within this tender package:

- ✓ Invitation to Tender
- ✓ General Conditions for Tender
- ✓ Criteria and Submittals
- ✓ Price Offer Sheet
- ✓ Supplier Information Form
- ✓ Scope of Work
- ✓ Sample Contract- this is an anticipated contract

2. General Conditions for Tender

Mercy Corps invites proposals for the goods, services and/or works described and summarized in these documents, and in accordance with procedures, conditions and contract terms presented herein. Mercy Corps reserves the right to vary the quantity of work/materials specified in the Tender Package without any changes in unit price or other terms and conditions and to accept or reject any, all, or part of submitted offers.

2.1 Mercy Corps’ Anti-Bribery and Anti-Corruption Statement

Mercy Corps strictly prohibits:

- Any form of bribe or kickback in relation to its activities

This prohibition includes any *request* from any Mercy Corps employee, consultant or agent for anything of value from any company or individual in exchange for the employee, consultant or agents taking or not taking any action related to the award of a contract or the contract once awarded. It also applies to any *offer* from any company or

individual to provide anything of value to any Mercy Corps employee, consultant or agent in exchange for that person taking or not taking any action related to the award of the contract or the contract.

- *Conflicts of interests in the awarding or management of contracts*

If a company is owned by, whether directly or indirectly, in whole or in part, any Mercy Corps employee or any person who is related to a Mercy Corps employee, the company must ensure that it and the employee disclose the relationship as part of or prior to submitting the offer.

- *The sharing or obtaining of confidential information*

Mercy Corps prohibits its employees from sharing, and any offerors from obtaining, confidential information related to this solicitation, including information regarding Mercy Corps' price estimates, competing offerors or competing offers, etc. Any information provided to one offeror must be provided to all other offerors.

- *Collusion between/among offerors*

Mercy Corps requires fair and open competition for this solicitation. No two (or more) companies submitting proposals can be owned or controlled by the same individual(s). Companies submitting offers cannot share prices or other offer information or take any other action intended to pre-determine which company will win the solicitation and what price will be paid.

Violations of these prohibitions, along with all evidence of such violations, should be reported to:

<http://mercy Corps.org/integrityhotline>

Mercy Corps will investigate allegations fully and will take appropriate action. Any company, or individual that participates in any of the above prohibited conduct, will have its actions reported to the appropriate authorities, will be investigated fully, will have its offer rejected and/or contract terminated, and will not be eligible for future contracts with Mercy Corps. Employees participating in such conduct will have his/her employment terminated.

Violations will also be reported to Mercy Corps' donors, who may also choose to investigate and debar or suspend companies and their owners from receiving any contract that is funded in part by the donor, whether the contract is with Mercy Corps or any other entity.

2.2 Tender Basis:

- All offers shall be made in accordance with these instructions, and all documents requested should be furnished, including any required (but not limited to) supplier-specific information, technical specifications, drawings, bill of quantities, and/or delivery schedule. If any requested document is not furnished, a reason should be given for its omission in an exception sheet.
- No respondent should add, omit or change any item, term or condition herein.
- If suppliers have any additional requests and conditions, these shall be stipulated in an exception sheet.
- Each offeror may make one response only.
- Each offer shall be valid for the period of [180 days] from its date of submission.
- All offers should indicate whether they include taxes, compulsory payments, levies and/or duties, including VAT, if applicable.

- Suppliers should ensure that financial offers are devoid of calculation errors. If errors are identified during the evaluation process, the unit price will prevail. If there is ambiguity on the unit price, the Selection Committee may decide to disqualify the offer.
- Any requests for clarifications regarding the project that are not addressed in written documents must be presented to Mercy Corps in writing. The answer to any question raised in writing by any offeror will be issued to that offeror. In some cases Mercy Corps may choose to issue clarifications to all offerors. It is a condition of this tender that no clarification shall be deemed to supersede, contradict, add to or detract from the conditions hereof, unless made in writing as an Addendum to Tender and signed by Mercy Corps or its designated representative.
- This Tender does not obligate Mercy Corps to execute a contract nor does it commit Mercy Corps to pay any costs incurred in the preparation and submission of proposals. Furthermore, Mercy Corps reserves the right to reject any and all proposals, if such action is considered to be in the best interest of Mercy Corps.

2.3 Supplier Eligibility

Suppliers may not apply, and will be rejected as ineligible, if they:

- Are not registered companies
- Are bankrupt or in the process of going bankrupt
- Have been convicted of illegal/corrupt activities, and/or unprofessional conduct
- Have been guilty of grave professional misconduct
- Have not fulfilled obligations related to payment of social security and taxes
- Are guilty of serious misinterpretation in supplying information
- Are in violation of the policies outlined in Mercy Corps Anti Bribery or Anti-Corruption Statement
- Supplier (or supplier's principals) are on any list of sanctioned parties issued by; or are presently excluded or disqualified from participation in this transaction by: the United States Government or United Nations by the United States Government, the United Kingdom, the European Union, the United Nations, other national governments, or public international organizations.

Additional eligibility criteria, if applicable, are stated in section 3.2 of this tender package.

2.4 Response Documents

Offerors can either utilize the response documents contained in this tender package to submit their offer or they can submit an offer in their own format as long as it contains all the required documents and information specified by this tender.

2.5 Acceptance of Successful Response

Documentation submitted by offerors will be verified by Mercy Corps. The winning offeror will be required to sign a contract for the stated, agreed upon amount.

2.6 Certification Regarding Terrorism

It is Mercy Corps' policy to comply with humanitarian principles and the laws and regulations of the United States, the European Union, the United Nations, the United Kingdom, host nations, and other applicable donors concerning transactions with or support to individuals or entities that have engaged in fraud, waste, abuse, human trafficking, corruption, or terrorist activity. These laws and regulations prohibit Mercy Corps from transacting with or providing

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support to any individuals or entities that are the subject of government sanctions, donor rules, or laws prohibiting transactions or support to such parties.

3. Criteria & Submittals

3.1 Contract Terms

Mercy Corps intends to issue a **Fixed Price** contract to one or several company (ies) or organization(s) or individuals. The successful offeror(s) shall be required to adhere to the statement of work and terms and conditions of the resulting contract. The anticipated contract is incorporated in Section 6 herein. By submitting an offer, offerors certify that they understand and agree to all of the terms and clauses contained in Section 6.

3.2 Specific Eligibility Criteria

Eligibility criteria must be met and the corresponding supporting documents listed below under “Tender Submittals” **must** be submitted with offers. Offerors who do not submit these documents may be **disqualified** from any further technical or financial evaluation.

Eligibility Criteria:

- The offeror must be legally registered
- The offeror must be in good standing with its governing tax authority

3.3 Tender Submittals

Documents and required information listed in tender submittals are necessary in order to support the eligibility criteria and to conduct technical evaluations of received offers (and due diligence). While absence of these documents and/or information does not denote mandatory disqualification of suppliers, the lack of these items has the potential to severely and negatively impact the technical evaluation of an offer.

Documents supporting the Eligibility Criteria:

- legal registration document/certificate of incorporation or registration
- Business Permit
- Valid Tax compliance certificate

Documents to conduct the Technical Evaluation and additional Due Diligence:

1. Registration documents including ownership details.
2. Income tax compliance & VAT certificates
3. Technical Proposal - containing information about background of firm, past and current performance with international NGO's-references, personnel (*signed and stamped*)
4. Detailed budget/cost proposal (*signed and stamped*)

Price Offer:

The Price offer is used to determine which offer represents the best value and serves as a basis of negotiation before award of a contract. As a Fixed-Price contract, the price of the contract to be awarded will be an all-inclusive fixed price basis, either in the form of a total fixed price or a per-unit/deliverable fixed price. No profit, fees, taxes, or additional costs can be added after contract signing. Offerors must show unit prices, quantities, and total price, as displayed in the Offer Sheet in Section 4. All items must be clearly labeled and included in the total offered price.

Offerors must include VAT and all applicable taxes in their offer.

3.4 Currency

Offers should be submitted in: **KES**

Payments will be made in: **KES**

3.5 Tender Evaluation (Trade-Off Selection Method)

Based on the above submittals, a Mercy Corps Tender Committee will conduct a tender evaluation process. Mercy Corps reserves the right to accept or reject any or all proposals, and to accept the offer(s) deemed to be in the best interest of Mercy Corps. MC will not be responsible for or pay for any expenses or losses which may be incurred by any Offeror in the preparation of their tender.

Evaluations will be conducted as described in the following subsections:

3.5.1 Scoring Evaluation

Trade-Off Method

Mercy Corps Tender Committee will conduct a technical evaluation which will grade technical criteria on a weighted basis (each criteria is given a percentage, all together equaling 100%). Offeror's proposals should consist of all required technical submittals so a Mercy Corps committee can thoroughly evaluate the technical criteria listed herein and assign points based on the strength of a technical submission.

Award criteria shall be based on the proposal's overall "value for money" (quality, cost, delivery time, etc.) while taking into consideration donor and internal requirements and regulations. Each individual criteria has been assigned a weighting prior to the release of this tender based on its importance to Mercy Corps in this process.

Offeror(s) with the best score will be accepted as the winning offeror(s), assuming the price is deemed fair and reasonable and subject to the additional due diligence in section 3.5.2.

When performing the Scoring Evaluation, the Mercy Corps tender committee will assign points for each criteria based on the following scale:

Point	Rationale
0	Not acceptable; has not met any part of the specified criteria
1-4	Has met only some minimum requirements and may not be acceptable
5	Acceptable
6-9	Acceptable; has met all requirements and exceeds some
10	Acceptable; has exceeded all requirements

Evaluation Criteria	Weight (%)	Possible Points (1 to 10)	Weighted Score
	(A)	(B)	(A*B)
Payroll Software: Payroll system solution with quality years of relevant experience in providing services to similar organizations	20%	10	XX
Knowledgeability : Understand Mercy Corps key requirements and the payroll solution meets it.	20%	10	XX
Innovativeness : User friendly, fully automated solution that generates reports compatible with Mercy Corps systems and requirement.	20%	10	XX
Responsiveness of Proposal: Quality of the proposal submitted in relation to the advert. This includes clarity, objectiveness, concision, timeline, budget, etc.	20%	10	XX
Total for Technical evaluation	80%		
Vendors who score 70% on the technical evaluation will be evaluated on financials (Note that short listed firms will provide a demo in Mercy Corps office/Virtually to walk the Project Team through the solution, methodology, approach, and deliverables)			
Financial Evaluation			
Financials- (Entity's ability to propose a competitive price for SOW described above - Lowest get 10 pts others reverse scoring (lowest cost of all bids/cost of bid for this firm) *10)	20%	10	XX
TOTAL POSSIBLE SCORE (Technical + Financials):	100%	XX	XX

3.5.2 Additional Due Diligence

Upon completion of both the technical and financial evaluations Mercy Corps may choose to engage in additional due diligence processes with a particular supplier or supplier(s). The purpose of these processes is to ensure that Mercy Corps engages with reputable, ethical, responsible Suppliers with solid financials and the ability to fulfill the contract. Additional due diligence may take the form of the following processes (though it is not limited to):

- Reference Checks
- Supplier's facility visits
- Analysis of audited financial statements
- Determination of relations and affiliations between offerors
- Other appropriate documented method giving Mercy Corps increased confidence in the supplier's ability to perform

4. Offer Form

Offerors must submit their own independent offer including at least (but not limited to):

- All documents requested in the “Eligibility Criteria” section of this Tender Package
- All documents requested in the “Tender Submittals” section of this Tender Package
- All information listed in the “Documents Comprising the Proposal” section below

All offers must be duly signed (including the position and full name of the signer) and stamped, with the date of completion.

Documents Comprising the Proposal

The following information must be included in the offer of any potential offeror:

- ☐ **Cover Letter** explaining interest to be a contracted vendor or supplier, and the details of the Proposal. The content of the cover letter shall include the following information:
 - ☐ A detailed specification of the offered goods, services and/or works (Proposal)
 - ☐ Warranty (if necessary and appropriate)
 - ☐ Delivery time
 - ☐ Price validity date (for this purpose and as stated on the advertisement, quote given shall remain unchanged for 180 working days)
- ☐ A Price Offer detailing the unit price only, using the **Price Offer Sheet** template provided in **section 6**
- ☐ Completed and signed Mercy Corps **Supplier Information Form** template provided in **section 6**
- ☐ Other important documents the offeror feels need to be attached to support their proposal

The original proposal shall be signed by the offeror or a person or persons duly authorized to bind the offeror to the contract. Financial offer pages of the proposal shall be initialed by the person or persons signing the proposal and stamped with the company seal.

Any interlineations, erasures, or overwriting shall be valid only if they are initialed by the person or persons signing the proposal.

5. Scope of Work/Technical Specifications

5.1 Background

Background Information

Mercy Corps (MC) is a non-profit, non-governmental organization based in Portland, Oregon in the United States of America doing humanitarian, relief and development work globally. Since 1979, Mercy Corps has provided more than US\$1.95 billion in assistance to people in 107 nations. Supported by headquarters offices in North America and Europe, the agency's unified global programs employ 3,700 staff worldwide and reach nearly 16.7 million people in more than 40 countries.

Purpose of Engagement

To adopt a payroll automation system that captures:

- Pay slips – Generate and email pay slips to all employees instantly.
- Revisions/Changes: Manage salary revisions and calculate arrears with utmost ease.
- Employee records: Contact/personal/bank account/ statutory details etc.;
- Organizational structuring: Simplify payroll by categorizing employees according to employee groups, branch, offices or department (for instance, RRA monthly payroll, Nairobi payroll etc.);
- Taxes: Take care of all taxes while computing salaries – implement employee provident fund/pension fund, employee insurance schemes, calculate the PAYE Tax with accuracy.
- Payroll reports: Generate payroll related reports such as NHIF remittances, Pension remittances, NSTIF remittances, Year-to-date reports for Tax returns etc.
- Integration to General Ledger.
- Security features that allow only authorized personnel to access the system, that can provide audit trail.
- Data protections as per global and Kenya data protections standards

Using a payroll software centralizes the numerous payroll processes onto one platform and provides a variety of tools to make payroll functions more efficient and accurate. Ideally, payroll software will prevent human errors when calculating and administering payroll. Payroll software also offers features like cloud payroll. Cloud-based payroll refers to the ability to store payroll data online.

Scope of Work

To undertake this assignment the chosen firm is expected inter alia to possess the following core competencies and provide a software that is able to carry out the following tasks

1. Pay slips – Generate and email pay slips to all employees as soon as payroll is approved.
2. Revisions/Changes: Manage salary revisions and calculate arrears with utmost ease, Monthly exchange rate for salaries in other currencies.

3. Employee records: Contact/personal/bank account/ statutory details etc. and expat details like passport, visa & work permit details.
4. Organizational structuring: Simplify payroll by categorizing employees according to employee groups, branch, offices or department (for instance, Program x monthly payroll, Wajir payroll etc.).
5. Taxes: Take care of all taxes while computing salaries and benefits– implement employee provident fund/pension fund, employee insurance schemes, gratuity, 13th Month Salary etc.
6. Payroll reports: Generate payroll related reports such as P9A forms, P10, P11 etc., various SACCOS deductions, NSSF, NHIF, PAYE, HELB, Mortgage deductions, DIT etc.
7. Prompt support to the government statutory changes
8. Security to MC Payroll processing and information

Software Objectives:

- *Obj 1: Payroll*
 - The proposed system is intended to provide a user-friendly system that will manage, compute and calculate accurately employee salaries, while taking into cognizance of the statutory deductions i.e., PAYE, pensions, NSSF, NHIF etc., employees benefit record, generating tax forms, pay slips, and also benefits administration.
 - Run a journal entry reports compatible with the organization's accounting system and requirements.
 - Enable integration of accounting coding system into the payroll system
 - To provide a payroll system that will rapidly process payroll computation.

Activity Phases:

Startup Planning Phase:

- Selected vendors will hold at least 2 phase separate meetings with involved parties.
 - Discuss and agree on the user interface, modalities and objective of the proposed system/software.
 - To do a presentation of existing software's to the involved parties through a demo presentation.

Phase 2:

- In house meeting between the involved parties to decide which vendor should be contracted

Phase 3:

- Successful vendor will provide a demo version to the involved parties to test run the system/software and if there are suggest changes to be made to the system, such changes will be taken into consideration by the vendor.

Phase 4:

- To do a presentation of existing software's to the involved parties through a demo presentation.

Post Development Phase:

- Develop an implementation guide, user guide and project overall documentations.
- Provide a comprehensive training on how to manage and use the software portal to designated Mercy Corps Kenya staff and others.
- Upon completion, provide full access to the software Portal, front-end, back-end, host account and integration programing code details to Mercy Corps Kenya
- Provide six-month to 1-year post-development remote security and technical support to management of the software.

Deliverables

- A fully developed and functional payroll automation system with all the features as mentioned above in objective 1.
- Full access details of system/software, backend, and hosting platform
- A comprehensive manual or a user guide.

Cost Proposal Considerations and Terms of Payment

The following information on MC Kenya operations shall guide you in coming up with the realistic cost.

		MC Kenya
1	Number of Staff	250- 300 staff
2	Number of Users	3-4

The cost proposal must in Kenya Shillings and must include all applicable local taxes.

Payment will be made upon installation of the payroll system and training of staff. Once the deliverables have been accepted by Mercy Corps, the contractor may then submit an invoice. Mercy Corps has no obligation, under any circumstances, to accept services that do not meet the minimum quality standards, as required by Mercy Corps and its donor(s)

Required documentation

Submission checklist:

5. Registration documents including ownership details.
6. Income tax compliance & VAT certificates
7. Technical Proposal - containing information about background of firm, past and current performance with international NGO's-references, personnel (***signed and stamped***)
8. Detailed budget/cost proposal (***signed and stamped***)

Who Can Apply?

Professional software application firm with proven expertise and experience in providing excellent payroll solutions to international organizations or multinationals. The provider must be responsive and willing to work collaboratively and effectively with Mercy Corps Kenya towards delivering high quality system.

Requirements and Competencies:

- Demonstrable relevant payroll software applications set up in Kenya or Globally.
- CAC Registered
- Provision of tax clearance certificate
- Proven delivery of high-quality payroll solutions for international or multinational organizations
- Proven integration of payroll software to other ERP systems
- Proven skills in online documentation and collaboration, contents curation, and data visualization
- Proven skills in database management and reporting
- Willing to work with Mercy Corps Kenya to ensure the final product is of extremely high quality.

Diversity, Equity & Inclusion

Achieving our mission begins with how we build our team and work together. Through our commitment to enriching our organization with people of different origins, beliefs, backgrounds, and ways of thinking, we are better able to leverage the collective power of our teams and solve the world's most complex challenges. We strive for a culture of trust and respect, where everyone contributes their perspectives and authentic selves, reaches their potential as individuals and teams, and collaborates to do the best work of their lives.

We recognize that diversity and inclusion is a journey, and we are committed to learning, listening and evolving to become more diverse, equitable and inclusive than we are today.

Equal Employment Opportunity

We are committed to providing an environment of respect and psychological safety where equal employment opportunities are available to all. We do not engage in or tolerate discrimination on the basis of race, color, gender identity, gender expression, religion, age, sexual orientation, national or ethnic origin, disability (including HIV/AIDS status), marital status, military veteran status or any other protected group in the locations where we work.

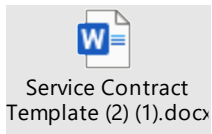
Safeguarding & Ethics

Mercy Corps team members are expected to support all efforts toward accountability, specifically to our stakeholders and to international standards guiding international relief and development work, while actively engaging communities as equal partners in the design, monitoring and evaluation of our field projects. Team members are expected to conduct themselves in a professional manner and respect local laws, customs and MC's policies, procedures, and values at all times and in all in-country venues.

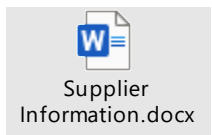
6. Annexes

Annex 1: Sample Contract

This is the anticipated service contract. However, if required, additional terms and conditions may be added by Mercy Corps in the final contract.



Annex 2: Supplier Information Form



Annex 3: Price Offer Sheet

