SUBJECT	TENDER FOR WITNESSING OF STOCK TAKE IN KTDA MOMBASA WAREHOUSES - (KTDA/091/2024)
DECISION EXPECTED	MTC TO CONSIDER & AWARD

1.0 Introduction

At the closure of each financial year, stock taking exercise is carried out in all our Warehouse in order to establish the actual stock of made tea held by each of KTDA managed factories. This is meant to give proper accounting and disclosures of made stocks for each factory in line with the company policies and compliance with IFRS.

Twenty-Five (25) prequalified Audit firms were invited to quote for witnessing of End Year Factory stock counts at the various wares houses in Mombasa as at 30th June,2024 and Thirteen (13) bids were received and opened by MTC during their meeting held on 25th June 2024.

The bidders who responded are as follows;

#	Bidder Name	Quoted Total Amount
1	Dennis Paul &Associates	174,000
2	Fekan Howell & Associates	128,520
3	Kiare Kang'ethe	117,160
4	Maritimes Associates	277,600
5	Ngigi &Partners	175,000
6	J.M.Onyancha &Associates	268,255
7.	Njuguna Kioi& Associates	200,000
8	Langat &Associates	210,808
9	Maranga Omoke	138,040
10	Kimani & Associates	127,600
11	GNM Accountants LLP	139,680
12	Njagi Isaac &Associates	96,680
13	Nyasae& Associates	144,680

2.0 Evaluation

Bidders were required to provide quotes based on the following brief on the assignment and related travel expenses for one personnel.

a	Travel to Mombasa (28th June)
b	Witnessing of Stock Take (29th & 30th of June,2024)
c	Reconciliation (1st July)
d	Coordinated Report Writing(2nd July)
e	Travel Back to Nairobi- SGR(3rd July)
1	Travel to & From Nairobi and local travel within Mombasa (SGR)
2	Accommodation on Half Board - 4 Days
3	Out of Pocket Expense

2.1 Evaluation Notes:

a) KTDA Managed factory teas are stocked in 17 different warehouses,in order for a thorough stock count,the department requires 10 personnel each counting one warehouse per day.In addition ,to respond to the need of each firm request to have representation in the exercise,the department decided to assign one auditor to each person conducting the stock count thus the need of 10 external auditors.

b) Previous exercise was conducted by one audit firm at a cost of Kshs680,000 and a lot of complains were raised on the quality of the work done.

c) Bidders were required to provide total cost for assignment and travel costs inclusive VAT for one person from their firm. It was however observed during the analysis that bidders quoted in different ways – with some quoting for line by line as per the brief above whereas others lumped their costs under travel and accommodation being all inclusive the cost of assignment *(Detailed Analysis attached).*

d) It was also observed that in their breakdown of costs, some bidders indicated some items as being vatable while other amounts/rates did not include VAT.

e) In order to harmonize the quotes for fair comparison, the following total costs have been captured exclusive VAT for all the bidders;

#	Bidder Name	Net Amount (Excl VAT)
1	Dennis Paul &Associates	150,000
2	Fekan Howell & Associates	117,000
3	Kiare Kang'ethe	101,000
4	Maritimes	244,000
5	Ngigi &Partners	175,000
6	J.M.Onyancha &Associates	268,255
7.	Njuguna Kioi& Associates	172,414
8	Langat & Associates	194,808
9	Maranga Omoke	119,000
10	Kimani & Associates	110,000
11	GNM Accountants LLP	132,000
12	Njagi Isaac &Associates	89,000
13	Nyasae& Associates	137,000

f) From the above analysis, Njagi Isaac & Associates have quoted lowest price of **Kshs 89,000** vat exclusive. This amount covers the disbursements for Local travel to and

from the warehouses, out of pocket, accommodations and meals for 5 days for 1 persons for a maximum of 6 days travel to and fro inclusive.

g) The exercise requires 10 auditors, thus there is need for a counter offer to the other 12 audit firms at the rate of Kshs 89,000 vat exclusive for all cost for one person for 6 days travel to and from Mombasa inclusive. This is to facilitate fast tracking of the exercise since there are more than 17 warehouses where stocks are held.The total cost shall be 890,000 vat exclusive.

h) The itinerary shall cover; travel on 28th June 2024, witnessing the exercise on 29th &30th, Reconciliation and report writing on 1st and 2nd July, Traveling back on 3rd July,2024.

3.0 TEC Recommendation

Noting the above, we recommend for MTC to consider and;

a) Approve award of tender for provision of witnessing of stock take exercise in Mombasa Warehouses for the Financial year ending 30th June, 2024 at the best evaluated price quoted by Njagi Isaac & Associates for one (1) person at a total cost of **89,000 VAT** exclusive.

b) Approve for counter-offer of the recommended rate to the other 12 audit firms for (one) 1 resource person at a total cost of Kshs 89,000 VAT Exclusive and award to be accorded to the first **Nine (9)** responses to increase the number to Ten (10) firms to facilitate timely completion of the exercise.

The total cost shall for the entire exercise shall be Kshs 890,000 VAT Exclusive.

Signed:

1. Mr. James Mwathi -Chairman (Operations Dept).....
2. Mr. Cackson Mochache (Finance Dept).....
3. Ms. Holiness Karimi (Legal Department) .....
4. Mr. Isaac Ndirangu (Technical Services Dept) 01/07/2024
5. Mr. Peter Mungai (Procurement Dept) 01/07/2024
6. Mr. Felix Mugambi (ICT Dept) .....01 july 2024
7. User Dept Rep (Name).....Sign.....Date.....
8. Head of User Dept (Name) .....Sign.....Date .....