



TERMS OF REFERENCE

FOR AN ACTUARIAL VALUATION OF POST EMPLOYMENT BENEFITS

DECEMBER 2020

1. PROJECT INFORMATION

Project Title	Actuarial Valuation of Post Employment Benefits
Project Manager	Kingsley Muwowo Chief Finance Officer
Project Sponsor	Andrew P. Chimphondah Managing Director
Project Start Date	2nd January 2021
Project End Date	15 th January 2021
Organization	SHELTER AFRIQUE Longonot Road Upper Hill Nairobi Telephone: +254 4978000 Email: info@shelterafrique.org
Country	KENYA
Contact persons	Kingsley Muwowo Email: kmuwowo@shelterafrique.org Hilary Kilonzo Email: hkilonzo@shelterafrique.org Victor Laibuni Email: vlaibuni@shelterafrique.org

2. OBJECTIVE

Shelter Afrique wishes to engage the services of a qualified firm to provide actuarial services for the valuation of the Company's post employment benefits in accordance with International Accounting Standards (IAS) 19. The company operates a defined benefits plan for its employees, who total about 48.

The objective of the project is to assist Shelter Afrique to make reliable estimates of the amount of benefit that employees have earned in return for their service in the current and prior periods in respect of their post employment benefits. In completing these activities, Shelter Afrique seeks to ensure that it accounts for its gross obligations in respect to the benefits and complies with the requirements of International Accounting Standards (IAS) as well as International Financial Reporting Standards (IFRS).

This document therefore outlines the terms of reference for the assignment.

3. BACKGROUND

Shelter Afrique is a Pan-African housing finance and development institution, established by African Governments, the African Development Bank, the African Reinsurance Corporation and the CDC Company plc (now ACTIS). The Institution is headquartered in Nairobi, Kenya, and is dedicated to investment in housing and urban development in African countries. Shareholders include 44 African countries, the African Development Bank and the Africa Re-Insurance Corporation. Its mandate is to provide financing by way of debt, quasi-equity and equity to both public and private institutions for housing and urban infrastructure projects in its member countries.

For more information, please visit our website: www.shelterafrique.org

4. SCOPE OF THE WORK

The Actuary will be required to use actuarial techniques and make reliable estimates of the company's liability regarding employees' post-employment benefits. In addition, the actuary will be expected to prepare the necessary disclosure information for the Financial Statements to comply with International Accounting and Reporting Standards (IAS & IFRS) disclosure requirements.

In order to achieve the main objectives of this project, the consultant will *inter alia* carry out the following tasks:

- Review all necessary documentation and policies
- Hold discussions with management as well as the External auditors and discuss the actuarial valuation assumptions.
- Carry out any other work that would lead to the full realization of the project's objectives.

5. METHODOLOGY

- The consultant(s) will be expected to employ sound actuarial valuation methodology in carrying out the assignment.
- The consultants will be at liberty to further elaborate or supplement the TORs and the scope of work with a view to ensuring that the overall objective of the project is achieved.

6. PROJECT SCHEDULE AND MILESTONES

The deadline for submission of quotations is **Tuesday, 8th December 2020 at 4.30 pm.**

The duration of the consulting services will be expected to be about 2 weeks from date of the appointment. The work is expected to be carried out in January 2021 and the final report should be submitted by **15th January 2021.**

7. CONTENT OF THE BID

The tenderer must provide all the information and documents necessary to enable Shelter Afrique to conduct an appraisal of the offer. The bid should contain the following parts:

a) **Covering letter** indicating administrative information including:

- Name of applicant, full address, telephone and fax numbers and e-mail address;
- Membership with a professional body;
- The name of the lead consultant for the project.

b) **Technical content** of the bid including:

- Detailed CV of the proposed consultant(s), an explanation of the nature and extent of its (their) availability and participation in the project;
- Description of relevant professional experience with emphasis on experience in actuarial valuations;
- Description of the consultant's work programme, methodology and organization set to manage the project.

c) **Financial proposal** including:

- Full details of the proposed price for the project stated in United States Dollar (US\$). This should be in a separate sealed envelope.

8. SELECTION CRITERIA AND EVALUATION CRITERIA

The bids shall be scrutinized on the basis of details provided under paragraph 7 above, following the under mentioned qualifying criteria.

Evaluation of Technical Proposal:

The Evaluation Committee shall evaluate proposals on the basis of their responsiveness to Terms of Reference, applying the evaluation criteria as follows:

Professional and Technical capacity

The selected consultant should have:

- Significant experience and track record in the field of actuarial valuation services. Shelter-Afrique will assess this criteria based on a list of previous activities undertaken in this field by the consultant
- Qualifications and relevant experience of the consultant(s)
- Technical approach and methodology, work plan, organization and staffing

- Quality and understanding of the nature of the assignment, its context and desired results
- Responsiveness to Terms of Reference.

Each response will be given a Technical score. A proposal shall be rejected at this stage if it does not respond to important aspects of the Terms of Reference or fails to achieve at least 80% of the technical score.

Overall score weightings:

Technical aspects shall carry 70% weight, whereas the financial aspects shall carry 30% weight in the final score.

The final selection will be based on 70% technical and 30% financial.

The formula for determining the financial scores (sf) is the following:

$$Sf = 100 \times Fm / F,$$

where Sf is the financial score, Fm is the lowest price and F is the price of the proposal under consideration.

$$\text{Final Score} = 0.3 Sf + 0.7 St$$

Where Sf is the financial score and St is the technical score.

The contract will be awarded to the tenderer with the highest Final score.

9. SUBMISSION

Completed Technical and Financial proposals should be sent as email attachments or delivered to Shelter Afrique offices by **Tuesday 8th December 2020** at 4.30 pm and must be addressed to:

Kingsley Muwowo, Chief Finance Officer
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Longonot Road, Upper Hill,
P.O. Box 41479 -00100, GPO Nairobi, Kenya
Tel: 254-20-2722305-9 / 4978000

Email address: kmuwowo@shelterafrique.org

**Chief Finance Officer
Shelter Afrique**