

INVITATION TO TENDER



DEVELOPMENT OF A HOUSING INVESTMENT STRATEGY FOR NAKURU COUNTY

Project: Affordable Housing

1. BACKGROUND

Financial Sector Deepening Kenya (FSD Kenya) is an independent trust promoting a green and inclusive digital economy by improving financial health for women and MSEs. Partnering with public and private sectors, FSD Kenya addresses challenges faced by low-income households and underserved groups. Funded by entities like Foreign Commonwealth and Development Office of the UK Government (FCDO), the Swedish International Development Cooperation Agency (SIDA), The International Fund for Agricultural Development (IFAD), and the Bill & Melinda Gates Foundation, FSD Kenya focuses on sustainable financial solutions, systemic change.

FSD Kenya and County Government of Nakuru have a Memorandum of Understanding to support the county's aspirations to promote affordable and social housing program.

The County Government of Nakuru is currently working with Kenya Institute of Public Policy and Research Analysis (KIPPRA) to conduct a baseline housing survey for the county, which will include household interviews and key informant interviews to determine the housing status, housing demand and supply across urban centres of Nakuru, construction costs, current housing delivery patterns, housing ownership patterns, barriers to housing delivery and opportunities for delivering housing. A draft report from the KIPPRA baseline research is attached herewith. Nakuru County is working with various stakeholders to complete a housing bill which will be based on this research.

FSD Kenya is also currently supporting Nakuru with the development of a County Land Information Management System (CLIMS) scoping mission which will strengthen appropriate housing zoning and revenue collection for this program.

2. OBJECTIVES

Pursuant to the Affordable Housing Act 2024, the Affordable Housing Regulations 2024, the Nakuru County Integrated Development Plan 2023-2027 and other relevant legal and policy frameworks, the County Government of Nakuru wishes to prepare a 5-year strategy and Annual Affordable Housing investment plans as mandated in the Affordable Housing Act.

The County expects a well-designed Housing Investment Strategy to guide and promote inclusive housing delivery on public, private and community land throughout the county and help the county deliver housing for its residents which is sustainable in terms of environmental, social and economic indicators.

3. SCOPE OF WORK

Pursuant to the Affordable Housing Act 2024, the Affordable Housing Regulations 2024, the Nakuru County Integrated Development Plan 2023-2027 and other relevant legal and policy frameworks, the County Government of Nakuru wishes to prepare a 5-year strategy and Annual Affordable Housing investment plans as mandated in the Affordable Housing Act. The plans will help the county leverage on delivery strategies to be proposed and attract investors to take advantage of the conducive environment for economic growth. This is borne out by the rapid uptake in the delivery of public projects in commerce and housing as well as delivery of legal and policy frameworks to create an even playing field for potential investors.

The Housing Investment Strategy should:

- (i) Use a market systems development approach where all suggested interventions can catalyse unlocking barriers in the current market and catalyse systemic change for delivery of more affordable and inclusive housing.
- (ii) Use the research findings from KIPPRRA to identify viable affordable housing projects' locations in Nakuru. Viability should be scored on the growth trends, availability of land (both private and public), ease of accessing necessary utility infrastructure, location relative to employment opportunities and transport networks, and ability to create phased developments with a range of typologies and price points to promote cross subsidization and reduce risk.
- (iii) Understand the delivery and uptake of ongoing projects through the Affordable Housing Program including at Bondeni (605 units, ready for occupation), in Kivumbini with National Housing Corporation (96 units) and 220 units in Molo and Bahati Constituency, and best practice in Kenya and integrate the learnings from these projects. Identify and carry out stakeholder mapping for the Nakuru AHP including beneficiaries and delivery strategies.
- (iv) Interrogate supportive infrastructural requirements to enable the housing developments in the different potential zones within the county and the relevant county agencies and national institutions. Detailed plans from these agencies for their investment for the next 5 years will be a useful guide to the housing program. These includes roads, water, sewer, ICT, public health, housing and environment and collate and consolidate the same into the investment plans, helping county to prioritise most viable projects based on well laid out rationale.
- (v) Identify and carry out stakeholder mapping for the Nakuru AHP including beneficiaries and corresponding delivery strategies.
- (vi) consider current regulatory environment and highlight opportunities to create a more enabling regulatory environment for housing demand and supply to grow in a sustainable manner.
- (vii) Taking cognizant of previous recommendations in county specific landmark planning outputs such as the county spatial plan, the Nakuru and Naivasha Integrated Strategic Urban Development Plans, draft Nakuru Slum Upgrading and Prevention Strategy and the City Resilience Strategy identify points of coalescence and convergence and suggest points of departure in advancing the county Affordable Housing agenda.
- (viii) Integrate any locally available known technologies that can support greener and more efficient housing or infrastructure (this does not require primary research but from discussions with key informant interviews and reviewing existing publications to be shared).
- (ix) Develop alternative financing models both for infrastructure to support housing projects, and the construction and offtake of housing projects themselves. This should be comprehensive to support the investment of different housing projects from rental, tenant purchase, mortgage and cash sales, for a wide range of income brackets from social housing, affordable housing and market level housing. The financing models should integrate opportunities for housing cooperatives (and comment on the feasibility of labour intensive options like self-build) and civil servants to participate with learnings from previous such schemes in Kenya; provide various subsidy options clearly illustrating their budgetary impact and how they can be structured to be most equitable and sustainable; explain factors required for the success of different structures and existing barriers / challenges which need to be overcome for success. The models should be designed to attract different forms of both public and private sources of capital.
- (x) Draw on best practices from other markets which are suitable to the local context of Nakuru.
- (xi) Prepare reporting templates for data and information gathering and sharing by County Rural and Urban Affordable Housing Committee (CRUAHC)

- (xii) Prepare templates to collect data on projects undertaken in Nakuru with any public support which can be adopted by private developers as well, to build fundamental understanding of the cost and time for delivery of various typologies, financing structure and cost, demand met and affordability.
- (xiii) Propose future strategies on the affordable housing program in Nakuru through stakeholder engagement.
- (xiv) Create a framework for long term management of proposed housing projects so that they retain value and appreciate over time.
- (xv) Prepare a high-level feasibility report on 1 project measuring approximately 1.5 acres which has been earmarked for a housing pilot and to support the regeneration of county housing estates and propose redevelopment strategies for the same by investigating and reviewing:
 - a. *Understand tenure and ownership status and all interests in the land.*
 - b. *Integrate various typologies to enable inclusive housing for all socio-economic brackets including social housing, affordable housing, and market housing (including shared toilets and showers for the very low income in a rental or social rental model),*
 - c. *Determine capital requirements and propose funding sources for debt and equity.*
 - d. *Provide a road map to well phased redevelopment being mindful of any existing housing interests on land.*
 - e. *For this, a high level masterplan will be provided to the consultant.*
- (xvi) Support FSD Kenya and the County to disseminate the strategy and integral assumptions and findings as widely as possible.
- (xvii) Identify any opportunities for the County LIMS system being scoped to support the Affordable Housing Investment Strategy objectives.

The principles of the housing investment strategy should include:

- i. Integrate learnings from the baseline housing research carried out by KIPPR.
- ii. be responsive to environmental pressures and promote climate resilience and promote inclusive green space, green approaches to housing delivery and infrastructure.
- iii. provide housing options for all socio-economic classes and various household formations in the County to ensure inclusivity.
- iv. integrate gender intentional strategies and strategies to support members who have physical or mental wellbeing challenges to promote inclusive housing for various household formations including female headed, male headed, nuclear families, families living with elderly and differently abled to ensure equity.
- v. integrate transport and other infrastructure considerations to promote non-motorised transport solutions, public transport and reduced carbon emissions and time spent in daily commutes to strengthen environmental resilience.
- vi. While this Strategy has been developed for County of Nakuru, it should be widely circulated to help wider market development, both with other counties and other stakeholders to enable adaptability and scaling-up.
- vii. Develop innovative housing financing model and funding options to support the investments.
- viii. The Housing Investment Strategy should clearly identify opportunities for housing investment and also clearly state any challenges that would need to be overcome for these opportunities to be implemented.

4. CONDUCT OF THE WORK

The consultant will report to a working group comprising the County of Nakuru and FSD Kenya. A work plan and schedule for the achievement of the deliverables will be agreed jointly with County of Nakuru and FSD Kenya and incorporated in the contract signed. However, the overall exercise is expected to take approximately 6-8 months.

5. OUTCOMES AND DELIVERABLES

SCOPE	DELIVERABLE	ESTIMATED TIMEFRAME FROM DATE OF CONTRACTING (WHICH WILL BE AGREED WITH FIRM DURING CONTRACTING)
1	Inception report	2 weeks from contracting
2	Progress update	Month 2 after contracting
3	Draft report on findings from engagement with County and other stakeholders including stakeholder mapping	3 months from contracting
4	Draft Housing Investment Strategy for County for 5 years and draft feasibility report for one identified project	4 months from contracting
5	Final Housing Investment Strategy plus one deeper feasibility for one identified project	5 months from contracting
6	Wider dissemination via Council of Governors and webinar	6-8 months after contracting

6. REQUIREMENTS

Mandatory requirements	Page guide
The consortium should include members with experience in development of real estate investment strategies and some understanding of legal context for public and private sector investment in housing in Kenya	
Composition of consortium (if different entities coming together to bid), and each entity's role in the work	1 page
Profile of Organisation (if consortium, provide profile for each organisation in consortium)	3 pages per organisation
Experience in real estate investment strategies with a focus on housing investment strategies in Kenya for both public and private land-owners and investors <ul style="list-style-type: none"> - Provide details of projects – max 2 pages per project. Scope of project, bidding consortiums role, members of consortium involved time frame of project, value of bid, current status of project 	10 pages
Experience in working with public and private stakeholders including inclusive stakeholder engagement	4 pages
Strong understanding of legal environment for housing investment in Nakuru	2 pages
Methodology to be used in this assignment including 2 best practice examples from other cities in Kenya or regionally or globally which can be used as frameworks to build this work around	5 pages
Work and Deliverable schedule	4 pages
The total submission excluding the annexes should be between 30 – 40 pages depending on how many entities are coming together for the bid.	40 pages
Summary of all team members to be used in this assignment per Annex 1	Annex 1
CVs for team members provide in Annex 2	Annex 2
Availability at short notice and ability to work flexibly, and deliver on time	
Non- mandatory requirements but are helpful	
Share any relevant publication created by the company / consortium that is publicly available – provide link to the same	

Evaluation criteria		
Criteria, sub-criteria, and point system for the evaluation of technical proposals		Points
1	Experience of the consultant	
	Track record and experience in undertaking housing investment strategies, preference for consortia who have a strong local presence with knowledge of best practice examples from other markets	20
	Track record in working with counties	10
2	Approach and methodology	
	Quality of technical approach and the proposed methodology	20
3	Staff schedule, work and deliverable schedule	
	Adequacy of the proposed staff schedule to meet the needs of the ToR	5
	Responsiveness of proposed work plan in relation to the ToR	5
4	Key professional personnel qualification for the assignment	
	Responsiveness of the CVs to the requirements of the TOR (Team leader's and team members' qualifications and experience)	10
	Total points for the four (4) technical criteria's (st)	70
	The minimum technical score (st) required to pass for financial proposal to be scored is	50
	Financial evaluation The formula for determining the financial scores is the following: $FS = 100 \times FL / FP$, in which FS is the financial score, FL is the lowest price and FP the price of the Proposal under consideration. The weights given to the Technical (T) and Financial (F) Proposals are: T = 70% and F = 30%	30
	Total Score (technical and financial)	100

Financial bid should include estimated cost of hosting stakeholder engagement which will be managed by the selected bidder as a separate section under reimbursables, with clearly listed assumptions. Reimbursables are based on actual receipts presented and also this will be pre agreed upon with FSD Kenya.

The top 3 shortlisted bidders will be invited for presentations and Q & A sessions with FSD Kenya and Nakuru County prior to final selection. This forms part of the evaluation process.

FSD Kenya will undertake a due diligence assessment and screening of the preferred Bidder to include reference checks. FSD Kenya will share a Third-party screening questionnaire to aid in processing the assessment and screening. FSD Kenya reserves the right to proceed or reject Bidder(s) depending on the outcome of this assessment and consider the next ranked bidder. The findings of this assessment will be kept confidential and used internally for the purposes of this evaluation.

FSD Kenya reserves the right to accept any tender (s) or to reject all tenders at any time. FSD Kenya also reserves the right to cancel this procurement at any point in time prior to award of the contract.

If you would like to lodge a complaint in regard to this procurement process, please write to tenders@fsdkenya.org with the address **complain: Development of a housing investment**

strategy for Nakuru county. FSD Kenya procurement team will acknowledge receipt of the complaint in writing within three (3) working days.

During the course of this procurement if you come across any issues of bribery, corruption or wrongdoing on FSD Kenya part, please feel free to contact Lydiah Kioko, FSD Kenya Head of Operations at Lydiah@fsdkenya.org or transparency@fsdkenya.org

7. SUBMISSION PROCESS

Technical tenders may be submitted in any format and should encompass the requirements in section 6.

Interested bidders should send ALL the above mandatory documents on or before **Sunday February 2nd, 2025 at 11:59 PM**. Failure to send any of the requested documentation and meeting the mandatory requirements will lead to automatic disqualification. If you have any clarification questions, please email us at tenders@fsdkenya.org no later than **January 20th 2025**. Responses to clarification questions shall be sent on or before **January 23rd 2025**.

You are requested to submit your tender comprising of **technical proposal and financial proposal separately**. The proposals shall be submitted separately to the following addresses:

Technical Proposal: tenders@fsdkenya.org

With the following subject title: **TECHNICAL PROPOSAL- Development of a housing investment strategy for Nakuru county**

Financial Proposal: tenders@fsdkenya.org

With the following subject title: **FINANCIAL PROPOSAL- Development of a housing investment strategy for Nakuru county.**

Financial proposal should include:

- Breakdown of consultancy fee
- Breakdown of reimbursable expenses by activity

Under no circumstance are bidders to submit both technical and financial proposals as a single document, doing so will lead to disqualification.

Tender security is NOT required. Issuance of this invitation to tender in no way obligates FSD Kenya to award a contract. Applicants will not be reimbursed for any costs associated with their application for this tender.

Consultants interested in this opportunity are encouraged to submit their bids **by Sunday February 2nd 2025 at 11:59 PM** via email to tenders@fsdkenya.org.

8. TIMETABLE

Refer to Section 5. It is expected that the consultant will be procured by March 2025 and work will be completed by October – November 2025.

Payments will be made on a milestone basis as defined in the contract.

Note: Based on the outcomes of this Housing Investment Strategy and budget availability, FSD Kenya and the County may seek to collaborate on further phases of this work as deemed appropriate.

ANNEX 2 – PROVIDE CVS FOR ALL TEAM MEMBERS IN ORDER OF LIST IN ANNEX 1.]