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## Kebs 2015 motor inspection tender award stopped

Photo/ FILE



**FAULTED:** Kenya Bureau of Standards has been accused of bias and disregarding the tender regulations.

BY DAVID OKWEMBAH

THE Kenya Bureau of Standards has been blocked from awarding a multibillion-shilling motor vehicle pre-export shipment inspection tender pending an appeal by losers.

The Public Procurement Administrative Review Board issued the order after Japan Export Vehicle Inspection Centre Company Ltd contested the award to Quality Inspection Services Inc. Japan.

Also appealing is the East Africa Automobile Services which has raised five grounds through lawyer Tom Ojienda.

The Board secretary P.O. Opiyo notified Kebs that an application for review of the award had been filed on December 22.

“Under the Public Procurement and Disposal Act 2005, no contract may be signed between the procuring entity and the tenderer awarded the contract unless the appeal has been finalised,” she told Kebs.

Through the law firm Coul-

son Harney of Nairobi, Jevic wants the award made on December 15 cancelled on four grounds including clearing QISJ for the final part of the bid despite it breaching the provisions of the Procurement Act.

It further accuses Kebs of bias and flouting the evaluation criteria in section 66 of the Act.

Jevic wants the ruling set aside and Kebs to “properly and correctly evaluate the proposals submitted by all the bidders”.

Seven companies participated in the tender but only Jevic, EAAS and QISJ made it to the final evaluation. Others were Auto Terminal Japan, Bureau Veritas, Wilnar International Company and Japan Auto Appraisal Institute.

Kebs managing director Charles Ongwae defended the award saying it was done above board.

The controversy was sparked way back in October when a section of bidders complained that QISJ had not presented all

the required documents.

The tender sought bidders to submit four copies of their technical and financial proposals but the winning firm only supplied three copies of each.

The three bidders quoted an inspection fee per vehicle of \$150 (Sh13,605) in Japan, \$180 (Sh16,326) in United Arab Emirates, \$210 (Sh19,047) in United Kingdom and \$220 (Sh19,954) in South Africa. All bidders placed a bid bond of US\$200,000 (Sh18.14 million)

QISJ quoted the lowest administration fee to remit to Kebs for every vehicle inspected in Japan, UK, UAE, and South Africa at \$41 (Sh3,718)

The current contract for pre-export shipment inspection of motor vehicles expires on January 15. It is estimated that Kenya imports 7,000 vehicles a month mainly from Japan, United Arab Emirates, United Kingdom, Singapore and South Africa and is ranked among the top destinations for used cars globally.

## North Rift hotels report low festive season sales

BY MATHEWS NDANYI

HOTELIERS in Eldoret and other parts of the North Rift say they recorded low bookings over the festive season.

Most of the hotels remained deserted as many people traveled home for the festivities.

Julius Komen, a manager at Kerio Valley Resort said the

number of foreigners visiting hotels over the same season also went down compared to 2013.

“We have felt the impact of insecurity because some of those we expected to come over cancelled their plans after making inquiries on the security situation,” said Komen.

Komen however said the number of Kenyans who

visited the hotels on Christmas Day, New Year’s eve and January 1 was impressive

In Eldoret town popular spots like Highlands Inn and Poa Place Resort also recorded impressive visits on these days.

“We had families coming in just to enjoy, eat and then back home,” said a manager at Highlands Inn.

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## BASE LAUNCHES OFFER FOR WORLD TITANIUM RESOURCES

It was Geoff Tooth [the Australian Ambassador who is missed – he has returned to HQ in Canberra] who introduced me to Tim Carstens the MD of Base Resources. Base Resources is the parent company of Base Titanium. Base Titanium is responsible for the Kwale mineral sands project – Kenya’s first large-scale mining development.

Carstens was my guest at Mindspeak some 977 days ago and since then, I have had an opportunity to take the measure of the man. It’s certainly been a roller-coaster ride, with lashings of policy making unpredictability [you will recall the proposed 35 per cent rule] but through all the noise and interference, TC delivered a really first class facility and it needs to be seen to be believed.

It’s like a bit of the 21st century just landed in Kwale. Base Titanium have been singularly innovative in their approach to employment. They hire using criteria of qualification and proximity. Their corporate social investment programme has had an embedded multiplier.

I remember telling Tim: “This will be your calling card the world over.” But he knew that already.

And if I was the government, I would have handed the man a Kenyan passport real quick and achieved ‘escape velocity’ for the mining sector by hitching it to the success of this mineral sands project.

Nine hundred and fifty one days ago, Tim sketched out the prices for the three main mineral sands, Zircon, Rutile and Ilmenite.

Subsequently, prices have retreated a great deal. The entire commodity complex took a pounding through 2014.

Crude oil fell out of bed and the mineral sands was unable to buck the trend and downshifted lower. The share price of Ken-

mare, for example, has slumped -84.15 per cent over 12 months.

And then over the Christmas period, I learnt that Base had launched a hostile scrip based offer for World Titanium Resources which has a 100 per cent interest in the large undeveloped Ranobe [an advanced-stage mineral sands developer in Madagascar] project. If the offer is successful, Base will secure the Toliara sands project in Madagascar to complement its Kwale project in Kenya. The Base Resources is an unsolicited and a conditional takeover offer. Under the offer, Base is offering one fully paid ordinary share in Base for every five fully paid ordinary shares in World Titanium.

Base has set a 40 per cent minimum acceptance and other conditionalities that include World Titanium conducting its business in the ordinary course; and - no “prescribed occurrences” happening. The offer is supported by World Titanium’s largest institutional shareholder, JP Morgan Asset Management (UK) Limited which holds 7.7 per cent, while also entering into a pre-bid acceptance agreement with Base. “WTR wasn’t going anywhere.

A quick look at the press releases in 2014 shows almost no progress at all, as the company seemed to just release the mandatory quarterly reports [the most recent corporate presentation is 10 months old!] [Seeking Alpha].

And I thought to myself that’s my Man. Tim Carstens has now made an important move. He is seeking to play a role as a consolidator at a time when prices are at their lows. Given Base’s proven capacity to execute on the frontier, I think its not only JP Morgan that is going to be backing Base going forward.

At 0.19 Aussie Dollar a share, Investors need to hitch a ride.

Readers are advised that this column represents Mr Satchu’s personal opinion.