



The Kenya Power & Lighting Co. PLC.
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Stima Plaza, Kolobot Road

Our Ref: KP1/6A.1/OT/4/23/B17/SM/aho

06th March 2024

To: ALL BIDDERS

Dear Sir/ Madam

ADDENDUM NO.4 OF TENDER DOCUMENTS FOR PROCUREMENT OF DESIGN, SUPPLY, INSTALLATION & COMMISSIONING OF LODWAR 66/11kV SUBSTATION AND ASSOCIATED LINE WORKS IN TURKANA COUNTY, TENDER NO. KP1/6A.1/OT/23/B17 LOT 1 & 2.

The following addendum is issued as per requirements of ITB 8.1 of the issued bidding document for procurement of design, supply installation and commissioning of Lodwar 66/11kV substation and associated line work in Turkana County.

RELATIONSHIP WITH THE PRINCIPAL TENDER DOCUMENT

Save where expressly amended by the term of this addendum, the Principal Bidding Document shall continue to be in full force and effect. The provision of this addendum shall be deemed to have been incorporated, be read and construed as part of the Principal Bidding Document.

SECTION IX - SPECIAL CONDITIONS OF CONTRACT

1. This section has been amended to read as follows;

Special conditions of contract hereafter abbreviated as SCC shall form part of the Conditions of Contract. They are made in accordance with the law and KPLC's guidelines, practices, procedures and working circumstances. They shall amend, add to and vary the GCC. Whenever there is a conflict between GCC and SCC the provisions of SCC shall prevail over those in the GCC.

Number of GCC Clause	Amendments of, and Supplements to, Clauses in the General Conditions of Contract
A. General	
GCC 1.1 (u) Definitions	The defects liability period is 12 months from the date of issuance of Taking-over/Completion certificate.
GCC 1.1 (y) Definitions	The Employer or the Procuring Entity The Kenya Power & Lighting Company PLC, Stima Plaza P.O. Box 30099 – 00100 Nairobi, Kenya.

GCC 1.3 Communication	All communications shall be through Project manager. All queries and or clarification except approval and review of documents shall be communicated back to either party within fourteen (14) days.
GCC 3.0 Project Manager	Project Managers appointed by KPLC: Lot 1: Name: Lot 2: Name..... Address: P.O Box 30099,00100, Nairobi, Kenya Email: Phone: Project manager(s) shall obtain specific approval of the Employer before taking the following actions: a) Issuing any instruction resulting in substantial changes to the scope of Works, or b) an increase of the Accepted Contract Amount and/or c) an extension of the time for completion of the work
GCC 8.1 and 8.2 Commencement and completion of work	The Effective Date from which the Time for Completion of the Facilities shall be counted is the date when all of the following conditions have been fulfilled: a) The Contractor has submitted to the Employer the performance security; b) This Contract Agreement has been duly executed for and on behalf of the Employer and the Contractor Each party shall use its best efforts to fulfil the above conditions for which it is responsible as soon as practicable. Contractor shall commence work at the site within two (2) weeks from the Effective Date . Time for Completion of the project shall be eighteen (18) months from the Effective Date of the contract Guarantee tests of the facilities shall be successfully completed <i>within six (6) Weeks from the date of installation completion</i>
GCC 8.1.1 (c) Access to site	Contractor will have access to the sites within two (2) weeks after the signing of the contract
GCC 21.2 Changes Originating from KPLC	Contractor shall not be entitled to reimbursement and or claim for preparation of Change Proposal Request originating from procuring entity
GCC 1.5 Priority of Documents	Subject to clause 5 of the Contract Agreement Form, the documents forming the Contract shall be interpreted in the following order of priority a) Contract Agreement b) Letter of acceptance

	<ul style="list-style-type: none"> c) letter of tender d) Special Conditions of Contract e) General Conditions of Contract, including Appendices f) Volume II work and equipment Specifications, Drawings and KPLC attachment of equipment/material specifications g) Price schedule h) Major equipment i) List of personnel j) Time schedule k) Power of attorney l) Joint venture agreement m) Minutes of Contract clarification
GCC 4.4 Subcontractors	<p>The Contractor shall ensure that the requirements imposed on the Contract including confidentiality requirements, shall apply equally to each subcontractor. Where practicable, the Contractor shall give fair and reasonable opportunity for Contractor from Kenya to be appointed as Sub Contractor.</p> <p>The Contractor shall use the services of any Key Sub Contractor specified in its Tender, where KPLC is reasonably satisfied that the;</p> <ul style="list-style-type: none"> i. The Key sub-Contractor is not available; or ii. The performance of the works will not suffer if the Sub Contractor is not used. <p>The Contractor may provide another person (the "proposed Substitute Key Sub Contractor") in substitution for a Key Sub Contractor(as identified in Schedule E) only on fulfilment of the following conditions;</p> <ul style="list-style-type: none"> i. Proving to the reasonable satisfaction of KPLC that the Key Sub Contractor is not available. ii. Proving to the reasonable satisfaction of KPLC that proposed Substitute Key Contractor is as suitable for the works as the Key Sub Contractor that is not available. iii. Payment by the Contractor of a substitution Fee of the amount specified in the Contract or its Appendices.
GCC 6.9 Contractor's personnel	<p>Key Personnel are the Contractor's personnel named in this GCC 6.9 of the Special Conditions of Contract. The Contractor shall employ the Key Personnel and use the equipment identified in its Tender, to carry out the Works or other personnel and equipment approved by the Project Manager.</p>
GCC 13.1 Right to vary	<p>Maximum of 25% of the original contract quantity and scope within contract period</p>

<p>GCC 13.8 Price Adjustment</p>	<p>Price adjustment for contract period exceeding Eighteen (18) months shall be carried out in accordance with Price Adjustment formulae subject to a maximum of 10% the contract price as shown below:</p> <p>Price Adjustment Formula</p> <p>If in accordance with GCC 13.8 prices shall be adjustable, the following method shall be used to calculate the price adjustment: Prices payable to the Contractor, in accordance with the Contract, shall be subject to adjustment during performance of the Contract to reflect changes in the cost of labour and material components, in accordance</p> <p>With the following formula:</p> $P_1 = P_0 \left(a + b \frac{L_1}{L_0} + c \frac{M_1}{M_0} \right) - P_0$ <p>In which:</p> <p>P_1 = adjustment amount payable to the Contractor P_0 = Contract price (base price) a = percentage of fixed element in Contract price ($a = \%$) b = percentage of labour component in Contract price ($b = \%$) c = percentage of material and equipment component in Contract price ($c = \%$)</p> <p>L_0, L_1 = Labour indices applicable to the appropriate industry in the country of origin on the base date and the date for adjustment, respectively M_0, M_1 = material and equipment indices in the country of origin on the base date and the date for adjustment, respectively</p> <p>N.B. $a+b+c= 100\%$.</p> <p>Conditions Applicable to Price Adjustment</p> <p>The Tenderer shall indicate the source of labour and materials indices, source of exchange rates and the base date indices in its Tender as follows:</p> <table><tr><td><u>Item</u></td><td><u>Source of Indices Used</u></td><td><u>Base Date Indices</u></td></tr></table> <p>The base date shall be the date twenty-eight (28) days prior to the Tender closing date.</p> <p>The date of adjustment shall be the mid-point of the period of manufacture or installation of component or Plant.</p> <p>The following conditions shall apply:</p> <p>a) No price increase will be allowed beyond the original delivery date unless covered by an extension of time awarded by KPLC under the terms of the Contract. No price increase will be allowed for periods of delay for which the Contractor is responsible. KPLC will, however,</p>	<u>Item</u>	<u>Source of Indices Used</u>	<u>Base Date Indices</u>
<u>Item</u>	<u>Source of Indices Used</u>	<u>Base Date Indices</u>		

	<p>be entitled to any price decrease occurring during such periods of delay.</p> <p>b) If the currency in which the Contract price, P_0, is expressed is different from the currency of the country of origin of the Labour and/or materials indices, a correction factor will be applied to avoid incorrect adjustments of the Contract price. The correction factor shall be Z_0 / Z_1, where,</p> <p>Z_0 = the number of units of currency of the origin of the indices which equal to one unit of the currency of the Contract Price P_0 on the Base date, and</p> <p>Z_1 = the number of units of currency of the origin of the indices which equal to one unit of the currency of the</p> <p>Contract Price P_0 on the Date of Adjustment.</p> <p>c) No price adjustment shall be payable on the portion of the Contract price paid to the Contractor as an advance payment.</p>
GCC 14.1 Contract price	<p>The Contract Price is a mix of Lump Sum Price Component and Admeasurement Component.</p> <p>The distribution substation works component shall be on lump sum contract basis whereas the distribution line works shall be on admeasurement contract basis.</p> <p>(In a lump sum contract, the contractor is deemed to have included all inputs that are necessary to perform the scope of works).</p>
GCC.14.1 Payment Terms	<p>Payments shall be made promptly by KPLC within forty five (45) days from submission of invoice together with other required and related documents and in the following proportion: -</p> <p>a) <u>Schedule 1 and 2 Plant and mandatory supplied form abroad and within employer's country spares:</u></p> <p>i) Eighty percent (80%) of the total or pro rata DDP amount (comprising of the plant/items, accessories and mandatory spares) will be paid upon delivery and inspection at project site).</p> <p>ii) Ten percent (10%) of the total or pro rata DDP amount will be paid upon successful installation (erection/assembly) of the plant, equipment or the system.</p> <p>iii) Five percent (5%) of the total or pro rata DDP amount upon issuance of the Completion Certificate.</p> <p>iv) Five percent (5%) of the total or pro rata DDP amount upon issuance of the Operational Acceptance Certificate i.e. upon expiry of 12 months defects liability period.</p> <p>a) <u>Schedule No. 3. Design Services</u></p> <p>In respect of design services, the following payments shall be made: Hundred percent (100%) of the total or pro rata design services amount upon acceptance of design works by the Project Manager within forty five</p>

(45) days after receipt of invoices together with other required and related documents.

c) Schedule No. 4. Installation Services

In respect of installation and other services, the following payments shall be made:

i) Ninety percent (90%) of the measured value of work performed by the Contractor, as identified in the said Program of works, during the preceding month, as evidenced by the Employer's authorization of the Contractor's application, will be made within forty five days (45) days after receipt of invoice together with other required and related documents.

ii) Five percent (5%) of the total or pro rata value of installation services performed by the Contractor as evidenced by the Employer's authorization of the Contractor's applications, upon issuance of the Completion Certificate/upon expiry of 12 months defects liability period, within forty five (45) days after receipt of invoice together with other required and related documents.

iii) Five percent (5%) of the total or pro rata value of installation services performed by the Contractor as evidenced by the Employer's authorization of the Contractor's applications, upon issuance of the Operational Acceptance Certificate /upon expiry of 12 months defects liability period, within forty five (45) days after receipt of invoice together with other required and related documents

Payment Procedures

The procedures to be followed in applying for certification and making payments shall be as follows:

Telegraphic transfer: schedule 1,2,3 and 4

Payments shall be made promptly by KPLC and shall be within forty five (45) days from delivery and submission of invoice together with other required and related documents or as otherwise prescribed in the contract.

Payments shall be primarily be through KPLC's cheque or real time gross settlement (RTGs) or telegraphic transfer. Where applicable, a copy of a valid performance security, stamped, certified as authentic by KPLC, shall form part of the documents to be presented to KPLC before any payments is made. The terms shall be strictly on Delivered and Duty Paid (DDP) basis

Contractors who request for a letter of credit (hereinafter abbreviated as (LC):

a) Shall meet all the LC Costs. Indicative costs levied by the issuing banks are; - opening/issuance charges (0.25% per quarter), acceptance/issuance charges (0.25% per quarter), settlement charges (0.25% flat), confirmation charges (0.25% flat) (where required) or as per the confirming bank's rate, and any amendment charges.

	<p>b) Any extension and or amendment charges and any other costs that may result from the contractor's delays, requests, mistakes or occasioned howsoever by the contractor shall be to the beneficiary's rates.</p> <p>c) The maximum number of extensions and amendments shall be limited to two (2)</p> <p>d) Notwithstanding sub-clause 8.16.3 (a), should the contractor require a confirmed LC, then all confirmation and any other related charges levied by both the contractor's and KPLC's bank be to the beneficiary's account.</p> <p>e) The LC shall be opened only for schedule No.1 plant and equipment supplied from Abroad and shall be within the validity period of the contract.</p> <p>f) A copy of the performance security, stamped and certified as authentic by KPLC, whose expiry date should not be less than sixty (60) days from the LC expiry date shall form part of the documents to be presented to the bank before any payment is effected.</p> <p>KPLC shall have the sole discretion to accept or decline any contractor's payment request through letters of credit without giving any reason for such decline.</p> <ul style="list-style-type: none"> • Minimum Amount of Interim Payment Certificates shall be. KES. 5,000,000 <p>Payment to the Contractor of the amounts due in each currency shall be made into the following bank accounts:</p>
GCC 14.2 Advance payment	Advance payment: N/A

2 SECTION X-CONTRACT FORMS

Form No. 5-Performance Security Option 1 - Unconditional Demand Bank Guarantee] has been amended, please see the attached document.

Yours faithfully,

For: **KENYA POWER & LIGHTING COMPANY PLC.**



Dr. JOHN NGENO, OGW

GENERAL MANAGER SUPPLY CHAIN & LOGISTICS

