



Kenya Power

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

Our Ref: KP1/9A.3/OT/24/22-23

24th February, 2023

TO ALL PROSPECTIVE TENDERERS

RE: ADDENDUM NO. 1 TO THE TENDER NO. KP1/9A.3/OT/24/22-23 FOR SUPPLY OF DISTRIBUTION TRANSFORMERS (FOR LOCAL MANUFACTURERS ONLY)

The following amendments are made to the specified provisions of the Tender document for Supply of Distribution Transformers (Local Manufacturers Only) for February 2023

1. RELATIONSHIP WITH THE PRINCIPAL TENDER DOCUMENT

Save where expressly amended by the terms of this Addendum, the Principal Tender Document shall continue to be in full force and effect.

The provisions of this Addendum shall be deemed to have been incorporated in and shall be read as part of the Principal Tender Document.

2. CLARIFICATION

The following responses are made to clarifications sought on various issues on the tender document.

Query No.	Sec./ Clause No.	Clarification sought by Bidder	KPLC Response
1	ITT 3.7	Bidders with more than 50% outstanding KPLC orders shall not be eligible for this tender; The clause completely knocks suppliers out of tendering exercise. The condition is prejudicial and knock us out and clear work against the government agenda for local manufacturing.	This is a mandatory KPLC tender requirement that cuts across all tenders for critical materials and is not limited to transformer manufacturers. This ensures only performing and reliable suppliers are eligible to bid. You are

Query No.	Sec./ Clause No.	Clarification sought by Bidder	KPLC Response
		<p><i>Kindly reconsider this clause. NTM. After a successful completion of FAT, there will still be other processes to follow before delivery and acknowledgement of receipt at KPCL store.</i></p> <p><i>Request that KPLC considers dropping the requirement for the actual delivery and receipt of at least 50% materials at KPLC stores. Tanelec Kenya Limited.</i></p>	<p>therefore required to comply with tender document requirements as specified in ITT 3.7</p>
2	Section 9	<p>Price Schedule;</p> <p>Out of an annual requirement of 4,224 units, KPLC has only allocated 5% (214 units) to the approved new manufacturers for a period of two years, then block them from participating with clause ITT 3.7 as shown above. That means, for the next two years, the new manufacturers will not have an opportunity to supply and grow their capacity. We pray that KPLC show fairness to all manufacturers by equitable sharing of the quantities to encourage growth and development of the industry. KPLC is requested as follows;</p> <ol style="list-style-type: none"> i. Increase the number of transformers to category 2 manufacturers ii. Include transformers of KVA rating higher than 50kVA rating higher than 50kVA to category 2 manufacturers. <p>By NTM & Tanelec Kenya Limited</p>	<p>Any manufacturer who has not been able to supply 50% on any of the previously awarded contracts, is not eligible for this tender. In addition, transformers supplied by first time Manufacturers need to be installed, tried and tested on site to review performance and confirm the quality of the transformers is satisfactory before being eligible for any subsequent tenders. However, KPLC has allocated 214 transformers for category 2 for the same sizes of transformers, for which prior approval to manufacture had been granted, subject to provisions in ITT 3.7. KPLC takes note of the different capacities among local manufacturers and is committed to supplier development in line with the government objective of promoting local industries.</p>
3	ITT 14.2	<p>Foreign Currency requirements Allowed (Not applicable); Over 90% of raw material inputs in manufacture of transformers are imported from overseas & payment done in US Dollars. Considering the current trend where Kenya Shilling is losing ground against US Dollar and further taking into account that the contract will run for 2 years, it is not possible to effectively hedge against</p>	<p>The Tenderer shall quote in Kenya shillings as specified in clause 14.2 and no other currency shall be permitted. All payments for the ensuing contract shall be in Kenya Shillings. Prices in foreign currency are therefore not allowed.</p>

Query No.	Sec./ Clause No.	Clarification sought by Bidder	KPLC Response
		<p>the US Dollar. Request that KPLC allows us to submit prices in US Dollars (Or any of the acceptable major international currencies) and KPLC to effect payment in the currency of our bid.</p>	
4	ITT 13.5 & GCC 15	<p>Price Variation: Variation of a contract shall only be considered after twelve months from the date of signing the contract and further the cumulative value variation shall not exceed 25% of the original contract value. In the event of the unforeseen factors/events beyond the control of the tenderer affecting the global prices of major imported raw materials used in manufacture of transformer, KPLC should consider adopting a price variation formula covering the indices of major raw materials (Copper, aluminum, steel, core steel (CRGO) and mineral Oil. We have in the recent past witnessed some unprecedented spikes in prices of raw materials traded in the international market due to the Covid – 19 pandemic disruptions and effects of Russia- Ukraine war. KPLC should make a special consideration in the contract to allow for a price adjustment formula in the event that prices of major raw materials increase by more than 25% from the tender closing date.</p>	Pursuant to Section 139 (3) of the PPADA 2015, Tenderers are to comply with tender document requirements as specified in clause 15 of General Conditions of Contract (GCC) and amended in special conditions of contract (SCC)
5	ITT 15.4	<p>States that the warranty will remain valid for 24 months after Goods, or any portion thereof as the case may be, have been delivered to the final destination indicated in the contract. We also noted that sub clause c.1 (g) – Appendix C: Technical Documentation (Normative) of Issue No. 7 of Technical Specification of Distribution Transformers is silent on the warranty period unlike the previous issues of the technical specifications. Please confirm that warranty is 24 months as per ITT 15.4</p>	<p>The warranty period is hereby amended in the tender document to be valid for 60 Months after the Goods have been delivered and accepted. Please note; Warranty period is not captured in reviewed specifications for transformers.</p>

3. AMENDMENTS

The following amendments are made on the tender document.

- I. ITT 1.1 under Section II – Tender Data Sheet (TDS), is amended to read as follows;

The reference number of the Invitation for Tenders is: KP1/9A.3/OT/24/22-23

- II. Section III: Evaluation & Qualification Criteria, Clause 2.2.5 (d) is amended to read as follows:

d) Names with full contact as well as physical addresses of previous customers of transformers, **one completion** certificate issued within the last five years confirming completion of orders on schedule by tenderer from **KPLC** and/ or from at least four (4) other previous customers of transformers.

- III. Section IV: Price Schedule & Section V: Schedule of Requirements; Correction of over stated quantities for Categories 1, lot No. 3 for the following two (2) sizes of transformers;

Item No	Code	Description	Previous QTY	Amended Qty
6	453123	TX 315KVA 11/0.42KV Dyn11 OIL TYPE	35	34
7	453152	TX 25KVA 33/0.242KV SPH OIL TYPE	50	49

- IV. Section IV: Form 15 - **Manufacturer's warranty form** is amended to include;

Code 453164 - TX 1000KVA 33/0.42KV Dyn11 OIL TYPE.

- V. Section V: Schedule of Requirements & GLT; The **Final destination** (delivery location) for Category 2, Lot No. 3 of the **Schedule of Requirements** and **Guaranteed Lead Time (GLT)** is amended to read *Eldoret Store*.

N/B: Following amendments **III-V** above, the forms listed below have been reviewed accordingly and attached as appendices to this addendum;

- a. Price Schedule – **Appendix I**
- b. Manufacturer's Warranty Form – **Appendix II**
- c. Schedule of Requirements – **Appendix III**
- d. Guaranteed Lead Time (GLT) – **Appendix IV**

4. TENDER CLOSING DATE

Due to the urgent need for transformers, the tender closing date shall remain to be 2nd March 2023 at 10:00am, opening of the Tender will take place thereafter at the Auditorium, Stima Plaza on the same day at 10.30am.

All the other terms and conditions remain as per the tender document.

Yours faithfully,

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



Dr. JOHN NGENO

GENERAL MANAGER, SUPPLY CHAIN