



# Kenya Power

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

**Our Ref: KP1/6A.1/RFP/15/20/A88/SM/bma**

**22<sup>nd</sup> May, 2021**

Dear Sir/ Madam:

**AMENDMENT No. 1 TO TERMS OF REFERENCE – EOI NO. KP1/6A.1/RFP/15/20/A88 FOR PROCUREMENT OF CONSULTANCY SERVICES SUPPORT FOR THE DEVELOPMENT AND SUBSEQUENT IMPLEMENTATION OF A COMPREHENSIVE TRANSFORMATION STRATEGY FOR THE KENYA POWER AND LIGHTING COMPANY PLC**

The following amendments are made to the specific provisions of the issued Terms of Reference for procurement of consultancy services support for the development and subsequent implementation of a comprehensive transformation strategy for the Kenya Power and Lighting Company Plc.

**1. RELATIONSHIP WITH THE PRINCIPAL PREQUALIFICATION DOCUMENT.**

Save where expressly amended by the terms of this Addendum, the principal Terms of Reference 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 Terms of Reference Document.

**2. CLAUSE 3 (b) - SCOPE OF SERVICE**

The clause has been amended to read as follows;

**b. Transformation Strategy and Implementation Plan Roadmap**

- i. Develop a draft transformation/turnaround strategy for consideration by Kenya Power Board and Management and if approved support the implementation of the strategy.
- ii. Develop, operationalize and establish governance, routines and tracking for the transformation programme to ensure weekly decision making and review of progress
- iii. Establish a reporting framework for Government and stakeholders

The Transformation Strategy will be focused on the Value Creation Levers and will comprise the following topics:

- i. Resolve the financing of ongoing roll out and maintenance of last-mile electrification – consider options to immediately ring-fence and take off-balance-sheet if possible

- ii. Prepare a comprehensive strategy for renegotiation of signed PPAs with take or pay capacity and energy payments to reduce liabilities and implement the strategy.
- iii. Comprehensive reduction of technical and commercial losses to between 10 to 12%, building off KPLC's previous and existing work on loss diagnostics including installation of advanced metering infrastructure for high-value consumers and facility database clean as a start and prioritizing high impact interventions where capital investment is required.
- iv. Develop and launch focused effort to reduce collection losses by 2 to 3% starting with the largest debtors and the public sector.
- v. Roll out high impact digital and advanced analytics tools in support of asset management, data monetization, commercial and collection loss management, general & administration cost reduction through process efficiency etc.
- vi. Analyze and implement operational expenditure improvement schemes, and develop a framework to establish and tighten controls in the Procurement and Supply Chain in particular controls related to budgeting, tendering process to ensure quality and eliminate procurement of substandard goods and services, and fraud, inventory planning, stock monitoring and control, preparation of tender documents, specification of goods and services, TORs and template for contracting and tender documents and controls to ensure integrity and professional competence in the management of tenders.
- vii. Roll out projects management tools to both optimize Capex outlay and improve the impact of Capex spent, again through tightening controls around procurement and supply chain.

In addition to these scoped services, KPLC would welcome other proposals in the EOI from the consultants on how the Company should best operate and perform amidst the changing business environment locally and internationally.

Yours faithfully,

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



**Dr. JOHN NGENO**

**GENERAL MANAGER, SUPPLY CHAIN & LOGISTICS**