



Kenya Power

THE KENYA POWER & LIGHTING COMPANY PLC

TRANSPORT POLICY

Part A – Document Control Sheet			
Name of Policy	Transport Policy		
Document Owner	General Manager, Supply Chain & Logistics		
Division	Supply Chain and Logistics		
Department	Transport Services		
Lead Contact	Manager, Transport Services		
Document Status			
Document Approvals	Approver	Approval Reference	Approval Date
	Executive Committee		Tue. 26 th Sept. 2023
	Corporate Governance Committee of the Board of Directors		Tue. 24 th Oct. 2023
	Full Board of Directors		Mon. 30 th Oct. 2023
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Issue No.	3		
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Revision Type	Legal and Regulatory Requirements		
First Development Date	December 2018		
Commencement Date	24 TH NOVEMBER 2023		
Revision Frequency	Three (3) Years		
Next Review Date			
Superseded Documents	None		
Complementary Support Documents	All Company Policies		

Notes to the Document Control Sheet

1. *Revision Type. This connotes any change to the Policy by virtue of either internal or external instruments. It may be on account of legal or regulatory changes or requirements, change in corporate strategy, regular periodic*

- review which in turn may be mid-term review (before the lapse of three years) or ordinary review (after the lapse of three years).
2. During review of the Policy, the user Division/Department shall liaise with the Legal, Regulatory Affairs & Company Secretary Division to seek the Executive Committee and Board approvals of the review.
 3. First Development Date of the Policy means the earliest available document as at the Date of Commencement.
 4. Superseded Documents means totally new policies, pre-existing policies or a combination of the two from which the current policy is being developed or reviewed.

Part B – Glossary

1. Abbreviations and Acronyms

- 1.1 KPLC – The Kenya Power & Lighting Company Public Limited Company
- 1.2 MD & CEO - Managing Director & Chief Executive Officer
- 1.3 SAP - Systems Applications and Products in Data Processing

2. Definitions and Meanings

In this Policy, unless the context otherwise requires -

"Fleet" means the Company owned and outsourced vehicles, motorcycles, trailers, boats, plant, specialized equipment among others

"Transport Services" means mechanization solutions, transportation, material handling and fleet operation

"The Company" means KPLC.

Part C – Introduction

Over the years, the Company has acquired and increased the number of its Fleet in order to address its operational needs to achieve its mission and dynamic strategic objectives. The Transport Services Department of the Company is responsible for providing mechanization solutions, transportation, material handling. It also operates the Fleet that consists of a wide range of vehicles, motorcycles, trailers, boats, plant and specialized equipment.

Therefore, there is need to provide a policy framework to ensure that these assets are managed and utilized efficiently and sustainably.

Part D – Purpose and Objectives

The purpose of this Policy is to provide safe, reliable and cost-effective Transport Services. This Policy has been formulated to: -

- a) Establish a uniform code of practice, norms and conduct for all the stakeholders of the Company's Transport Services
- b) Promote knowledge and understanding of the procedures and regulations governing Transport Services in the Company
- c) Attain and maintain optimum productivity, cost effectiveness and safety in the utilization of Transport Services
- d) Develop research initiatives, innovation and knowledge acquisition to enhance infrastructure development and distribution network maintenance.

Part E - Scope

The Policy applies to all members of staff of the Company with regard to activities undertaken in management and use of Transport Services.

Part F – Policy Commitments

The Company is committed to implement this Policy in order to achieve an efficient and effective management of Transport Services. The Policy is in accordance with various statutory and regulatory requirements among other instruments that regulate Transport Services. Towards this end, the Company shall provide all the resources required to meet the requirements of this Policy.

Part G – Policy Statements

Transport management is the function that oversees, coordinates and facilitates various transport and related activities. Effective transport management aims at ensuring provision of reliable cost effective transportation, material handling and mechanization solutions through optimal and cost-effective utilization of Transport resources.

1. Fleet Operations

1.1 Information Management

Effective system for Fleet information management will be used to maintain Fleet data and transactions for performance evaluation and decision-making.

1.2 Fleet Assets Register

The asset register, fleet deployment and allocation. The Transport Services Department shall maintain an accurate Fleet assets register and accurate allocation and deployment records of the same. The Department shall maintain Fleet assets ownership documents and ensure their safety at all times.

1.3 **Operating Cost Records**

The Fleet running costs shall be monitored, tracked and continuously maintained in an appropriate information management system.

1.4 **Fleet Operating Records**

Fleet operating data shall be continuously maintained to monitor and evaluate Fleet utilization and performance.

1.5 **Fleet Acquisition and Renewal**

1.5.1 The Manager, Transport Services, in liaison with Users, will collate the requirements for purchase of new Fleet. The requirements shall be determined against needs. Strategic and procurement plans shall be applied. Selection of Fleet units shall be based on functional suitability and compliance with technical specifications with due consideration of Total Cost of Ownership

1.5.2 Development of technical specifications for identified requirements shall be done in compliance with the relevant legislation. Selection shall take into account the existing models to minimize diversity of makes and models

1.5.3 Purchase of Fleet shall be restricted to brand new units in order to have guaranteed investment on the asset.

1.6 **Fleet Usage and Charge out Rates**

1.6.1 The Manager, Transport Services shall ensure that Fleet units are assigned authorized operators and appropriate accountability procedures to be put in place

1.6.2 Drivers/operators shall not drive or operate equipment outside their authorized class

1.6.3 The Manager, Transport Services shall as and when necessary prepare a Fleet internal charge out rates schedule review for Management approval. The charge out rates shall reflect the actual cost of operating the Company Fleet but shall not exceed the prevailing market benchmark rates published by the Automobile Association of Kenya (AA)

1.6.4 The Transport Services shall allocate regular use Transport resources to User Departments while other requests shall be met from pool resources

1.6.5 Human Resources & Administration Division shall authorize the use of transport services for staff personal related functions and a charge out rate of 60% of the authorized charge out rates shall apply. Payment shall be done by the individual employee to the Company's miscellaneous revenue account. However, this shall not apply to transport to burials for staff members, which shall be facilitated by the Company.

1.7 Staff Car Scheme

- 1.7.1 The Transport Department shall in consultation with the Human Resources & Administration Division, develop an appropriate Staff Car Scheme to complement the Company Fleet for operational purposes
- 1.7.2 Admission to the Company Car Scheme and use of scheme cars shall be as per the Human Resource Policy
- 1.7.3 Staff members admitted to the Operational Car Scheme shall not be allocated Company cars. However, under exceptional circumstances, staff may be provided with appropriate transport resources for the duration of the specific task from the Transport Services pool.

1.8 Fleet Monitoring

Fleet monitoring systems shall assess the cost effectiveness and efficiency of the transport services offered and shall be managed on the principle of life cycle management and operated within their economic life span.

1.9 Fleet Disposal

- 1.9.1 The Transport Services Department shall recommend for approval to Management the economic life of Fleet based on the age and the usage of the Fleet. The Manager, Transport Services shall approve retirement of uneconomic Fleet units
- 1.9.2 Disposal of retired Fleet units shall be carried out as stipulated in the Public Procurement and Asset Disposal Act, 2015 or amended legislation after a comprehensive Fleet audit.

2. Accident and Incidence Management

All accidents or incidences involving Company Fleet shall be promptly reported to the relevant authorities and investigations instituted in accordance with the law.

3. Vehicle Insurance

All units shall have valid insurance covers as per the Company's Insurance Policy and in consultation with the Transport Services Department. Current unit valuations shall be carried out regularly or 'as and when required' by the insurance Department to guide in providing appropriate insurance cover for the Fleet units.

4. Transport Information Systems

4.1 Fleet Tracking System (GPS)

All Fleet shall be constantly tracked remotely through GPS and data analyzed for Transport Management purposes.

4.2 Transport Management System (TMS)

The Transport Services Department shall ensure availability and effective use and management of the Fleet through a Transport Management System.

5. Fueling

The Transport Services Department shall be responsible for the management of fueling of Company fleet through establishment of appropriate procedures and controls. Fueling of Company Fleet shall be managed using vendor fuel cards and in the absence of the electronic fuel card, the Transport Department shall ensure a suitable alternative fueling method is put in place.

6. Fleet Maintenance and Repair

Effective regular maintenance of the Fleet is critical for the safety, reliability, availability, comfort and service life of the Fleet units. The Transport Services Department shall be responsible for the management of repairs and maintenance of Company Fleet through establishment of appropriate procedures and controls.

The Manager, Transport Services shall be responsible for the management of Fleet repairs and maintenance contracts. The repairs and maintenance of Company Fleet shall be managed in a cost effective way. All repair decisions must take into account the minimum overall cost to the business.

Accident repair claims shall be in accordance with the prevailing insurance policy cover. The Company shall provide and maintain optimal facilities for Fleet maintenance and repairs. Safety procedures shall be adhered to, at all times and in compliance with the applicable Occupational Safety and Health Act requirements in addition to other relevant statutory requirements and issued operational guidelines.

An inventory of workshop tools shall be maintained and issued under a controlled register process to track movement and ensure accountability for the tools.

7. Fleet Operator/Driver Management

7.1 Training

Effective management of Company Fleet operators can substantially reduce the Fleet operation costs. Through driver training and effective driver management system, the Company can realize cost reduction while improving on service delivery. Training on economic driving and mapping

out on the best routes are among the different practices that can help manage company drivers more effectively.

7.2 Engagement of Drivers /Fleet Operators

- 7.2.1 The Transport Department shall have the primary administrative responsibility over Fleet operators. However, routine operational and administrative responsibility shall lie within the Departmental structures where the Fleet operators are deployed
- 7.2.2 Company Fleet operators shall be either, designated or non-designated
- 7.2.3 The Manager, Transport Services shall offer technical support during the recruitment of Company drivers and plant operators
- 7.2.4 Based on operational needs –
 - a) employees who are holders of valid driving licenses shall, upon recommendation of their respective Departmental Heads be considered for authorization to drive Company vehicles for the stated classes in their driving licenses, and,
 - b) Appointment of a non-designated driver shall be subject to qualification upon assessment by the assessors as approved by the Transport Manager.

8. Use of Company Vehicles

The Transport Services Department in collaboration Human Resource & Administration Division shall ensure compliance with occupational health safety laws. The Transport Services Manager shall issue guidelines for use of the Company Fleet units in line with the statutory laws and regulations.

In addition to the Company's Staff Regulations and Procedures, drivers shall be guided by a Driver's Manual prepared and issued by the Transport Department. The Manager, Transport Services shall in liaison with Human Resources, periodically train drivers to equip them with necessary competencies.

Special equipment operators shall be trained and certified by the respective dealers or other competent trainers approved by the Transport Manager.

Penalties, sanctions or fines incurred in contravention of traffic laws and Company vehicle operation procedures shall be surcharged to the driver/vehicle operator as provided for in this Policy.

9. Rewards and Sanctions

The Company shall promote awareness of its Fleet operators' contribution towards the reduction of operational costs, potential dangers on the roads and reduction of the number of accidents through a bonus award and

sanctions framework developed by the Transport Department in consultation with Human Resource & Administration Division and approved by the Executive Committee.

Part H – Risk Statement

The key exposures on lack of a Transport Policy include unsafe and costly Transport Services. These exposures can be addressed by maintaining a Fleet management system, adopt Fleet maintenance and repair program; and effective management of the Company's Fleet as provided in this Policy.

Part I – Responsibility for Implementation of the Policy

1. Board of Directors

- 1.1 Approves and adapts this Policy
- 1.2 Approves the Transport budget.

2. MD & CEO

- 2.1 Recommends for approval to the Board and supports the implementation of this Policy.

3. General Manager, Supply Chain & Logistics

- 3.1 Bears the overall responsibility for the development and implementation of this Policy.

4. Manager, Transport Services

Bears the overall responsibility for the development and implementation of this Policy.

Part J - Monitoring and Evaluation

The Transport Department shall oversee the implementation of this Policy.

Part K - Triggers for Policy Review

The Policy will be reviewed under any of the following circumstances: -

1. A lapse of a 3-year period after the last review
2. Significant change in day-to-day operations and business
3. Change in organization structure
4. Review of KPLC Corporate Strategy
5. Legal and regulatory changes

Part L - Statutory and Regulatory Compliance Requirements

All Staff must apply to the latest editions of the following documents:-

1. Regulatory circulars, guidelines, directives and codes of practices
2. Driver Management Policy, Revised 26th April, 2006
3. Driver's Manual
4. Transport Norms and Procedures, June 1998
5. Human Resource Policy, Staff Regulations and Procedures
6. ISO 9001:2015 QMS Documents
7. Traffic Act, Chapter 403 and Traffic (Amendment) Act 2012
8. Public Procurement & Asset Disposal Act, 2015
9. County Government Legislation
10. Government Vehicle Check Unit circulars
11. Motor Vehicle Inspection Unit circulars
12. Kenya Revenue Authority circulars
13. National Government Legislation
14. Security Guide Standard Manual
15. National Transport & Safety Authority Act, 2012 and Regulations thereunder
16. Kenya National Highways Authority regulations
17. Kenya Maritime Authority regulations
18. Kenya Ferry Services regulations
19. Occupational Safety and Health Act

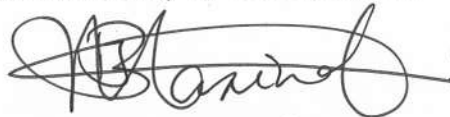
Part M - Reference Documents

1. Fleet Asset Register
2. Vehicle logbooks
3. Work tickets
4. Job cards
5. Incident and Accident reports
6. Fleet operator records

Part N – Distribution List

All Staff of KPLC.

Dated at Nairobi on ^{24th} the day of ^{NW} 2023.



JOY BRENDA MASINDE
CHAIRMAN, BOARD OF DIRECTORS