



The Kenya Power & Lighting Co. Ltd.
Central Office – P.O. Box 30099, Nairobi, Kenya
Telephone – 254-02-3201000-Telegrams 'ELECTRIC'- www.kenyapower.co.ke
Sima Plaza, Kolobot Road

Our Ref: KE-KPLC-471028-CS-QCBS /SM/aho

23rd June, 2025

To: ALL BIDDERS

Dear Sir/ Madam

ADDENDUM NO.2 EXPRESSION OF INTEREST FOR PROCUREMENT OF CONSULTANCY SERVICES TO EVALUATE KPLCs OPERATIONAL EFFICIENCY USING LEAN MANAGEMENT TECHNIQUES AND PROVIDE GUIDANCE ON IMPLEMENTING LEAN PRINCIPLES ISSUED ON 20th MAY 2025.

The following addendum is issued as per the Expression of Interest for Procurement of Consultancy Services to evaluate KPLCs Operational Efficiency using lean management techniques and provide guidance on implementing lean principles.

RELATIONSHIP WITH THE PRINCIPAL REQUEST FOR PROPOSAL DOCUMENT

Save where expressly amended by the term of this addendum, the Principal Request For Proposal 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 Request for Proposal Document.

REPLACEMENT OF TERMS OF REFERENCE

The initial terms of reference given for the above services have been replaced with the attached TOR

OPENING & CLOSING DATE

The opening & closing date remains the same i.e. **1st July, 2025 at 10:00 AM**

Yours faithfully,

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

HAROUN OTIENO

AG.GENERAL MANAGER SUPPLY CHAIN & LOGISTICS



CONSULTANCY SERVICES

Program Title	KENYA GREEN AND RESILIENT EXPANSION OF ENERGY (GREEN) PROGRESS
Title of Consultancy Service	PROCUREMENT OF CONSULTANCY SERVICE TO EVALUATE KPLC'S OPERATIONAL EFFICIENCY USING LEAN MANAGEMENT TECHNIQUES AND TO PROVIDE GUIDANCE ON IMPLEMENTING LEAN PRINCIPLES.
Project ID	P176698
Credit No	IDA-73430
RFB NO	KPLC-471030-CS-QCBS

TERMS OF REFERENCE

Table of Contents

1. Background	3
2. Goal/Objective of the Consultancy	3
3. The Scope of the Consultancy Service	3
4. Deliverables:	5
5. Resources to be provided by KPLC:	5
6. Conduct of Work	5
7. Reporting and Supervision	5
8. Duration of Assignment.....	5
9. Qualifications Required	5
10. Eligibility.....	6
11. Payment Terms	6

1. Background

The Kenya Power and Lighting Company PLC (KPLC) is a majority state owned (50.1% Government and 49.9% private) Company that is publicly listed at the Nairobi Stock Exchange (NSE). It owns and operates electricity distribution and transmission system in the country and sells electricity to over 9 million customers. The Company's vision is to be Kenya's energy solutions provider of choice by providing quality and reliable service to power people for better lives and enable the country's socio-economic development in a sustainable manner. Its core mandate and business is distribution and retail of electricity purchased in bulk from licensed generators, i.e., plan for sufficient electricity generation and transmission capacity to meet demand, build and maintain the power distribution and transmission network and retail electricity to its customers.

The Government of Kenya (GOK) has signed a loan agreement with the World-Bank (WB) for the Kenya Green and Resilient Expansion of Energy (GREEN) Program. This Program is a pivotal Government initiative aimed at restoring financial sustainability to KPLC and the broader energy sector, while supporting the Government's goal of achieving universal access to clean energy by 2030.

Towards this end, and as part of the program implementation, KPLC seeks to enhance its operational efficiency and service delivery to meet customer expectations, improve reliability, and optimize resource utilization. To achieve this, KPLC intends to invite a qualified consultancy firm to evaluate its operational processes using lean management techniques and provide guidance on the implementation of lean principles.

2. Goal/Objective of the Consultancy

The primary objective is to assess KPLC's operational efficiency and develop an actionable roadmap to optimize operations through the application of lean management techniques. The specific goals are,

- a. To evaluate KPLC's current operational efficiency.
- b. To identify inefficiencies, redundancies, and non-value-adding activities within KPLC's processes.
- c. To recommend and support the implementation of lean management techniques to enhance productivity and performance.
- d. To build internal capacity within KPLC for sustained lean practices.

3. The Scope of the Consultancy Service

The consultancy firm shall be expected to undertake the following tasks:

Task 1: Conduct a baseline assessment of KPLC's operational processes

The assessment shall cover key processes including power distribution network operations, customer service and billing, procurement and supply chain management, customer onboarding and service requests, Revenue Collection and Loss Reduction, Maintenance and Asset Management, and Internal Workflow and Administrative Processes,

Task 2: Map value streams and identify areas for process improvement.

The consultant shall map the value streams for selected core and support processes within KPLC as identified in the baseline which will involve documenting the sequence of activities, information flows, and decision points from initiation to service delivery.

The objective is to:

- Identify value-adding and non-value-adding steps.
- Detect bottlenecks, redundancies, and inefficiencies.
- Quantify lead times, cycle times, and wait times across processes.
- Highlight opportunities for process redesign and lean interventions.

The consultant shall engage relevant departments through workshops and interviews to co-create current and future-state value stream maps. A detailed report with recommendations for process improvement shall be submitted as part of this task.

Task 3: Evaluate current resource utilization, turnaround times, and customer service levels.

The consultant shall conduct a comprehensive evaluation of KPLC's current resource utilization, process turnaround times, and customer service levels across key functions. This will involve analyzing how human, financial, and technical resources are allocated and used, assessing the efficiency of internal workflows, and measuring performance against defined service level targets.

The objectives of this task are to:

- Identify underutilized or overstretched resources.
- Determine delays and inefficiencies in key service delivery processes.
- Benchmark customer service levels, including response and resolution times.
- Highlight gaps between current performance and desired service standards.

The findings from this evaluation will inform targeted interventions to optimize resource deployment, reduce turnaround times, and enhance the overall customer experience.

Task 4: Recommend lean tools and techniques suitable for the KPLC

The consultant shall assess KPLC's operational landscape and recommend appropriate Lean tools and techniques tailored to enhance efficiency, reduce waste, and optimize service delivery. These may include, but are not limited to, methodologies such as Kaizen for continuous improvement, Value Stream Mapping to identify inefficiencies across workflows, Just-in-Time for inventory and resource optimization, and Six Sigma for quality and process control.

The recommendations should be aligned with KPLC's strategic objectives and operational realities, with clear guidance on implementation pathways, anticipated benefits, and capacity-building needs.

Task 5: Design a roadmap for lean implementation, including timelines and key milestones.

The consultant shall develop a practical and phased roadmap for the implementation of Lean principles within KPLC. This roadmap should outline clear timelines, key milestones, and priority action areas across departments or functions. It should include short-, medium-, and long-term goals, identify required resources, and highlight critical success factors. The plan must be tailored to KPLC's organizational structure, operational needs, and capacity, ensuring a structured and sustainable transition to Lean operations.

Task 6: Train KPLC staff on lean principles and change management.

The consultant shall organize training sessions both formal (classroom type) and informal (on the job training) to equip KPLC staff with the knowledge and skills needed to implement lean principles effectively and manage organizational change seamlessly, fostering a culture of continuous improvement and operational excellence.

The training and knowledge transfer shall include:

- a Conducting comprehensive training sessions tailored to KPLC's unique operations and objectives.
- b Provide an in-depth introduction to lean principles, focusing on waste reduction, value maximization, and efficiency enhancement.
- c Equip staff with change management strategies to address resistance and ensure smooth transitions during process or organizational changes.
- d Develop practical exercises and case studies relevant to KPLC's operational environment to reinforce learning outcomes.

- e Offer post-training support to ensure successful implementation and long-term sustainability of learned practices.

4. Deliverables:

The consultant is expected to professionally undertake the tasks and deliver the following

- i) Inception Report with detailed methodology and work plan.
- ii) Operational Efficiency Assessment Report.
- iii) Lean Implementation Roadmap and Action Plan.
- iv) Training Modules and Sessions for KPLC staff.
- v) Final Report summarizing findings, progress, and recommendations.

5. Resources to be provided by KPLC:

- i. Provide access to relevant information, data and access to staff.
- ii. Provide a working space/room during the period of implementation but will NOT provide office consumables and transport.

6. Conduct of Work

The consultant will be expected to be fluent in English and be able to work closely with the Kenya Power staff. All documentation shall be in English.

7. Reporting and Supervision

The consultancy firm will report to Manager Business Planning, Business Strategy Division, with oversight from the World Bank program coordination unit.

8. Duration of Assignment

The assignment is expected to be completed within 24 weeks (6 months) from the contract signing date.

9. Qualifications Required

The firm is required to meet all the legal and regulatory requirements to operate in Kenya and is registered with relevant professional bodies and shall have one (1) Team lead, Three (3) Experts and one (1) Business Analyst

Specifically, the Firm/expert must have the following minimum qualifications:

Specialization	Minimum Years of Experience in Specialization
The Firm	<p>The firm must have:</p> <ul style="list-style-type: none"> i) At least 5–10 years of demonstrable experience in conducting operational audits or efficiency assessments. ii) Specific experience with power utilities or infrastructure-heavy industries is a major advantage. iii) The firm must show successful implementation of Lean methodologies (such as Six Sigma, Kaizen, 5S, Value Stream Mapping, etc.). iv) Have certification of key team members in Lean/Six Sigma (e.g., Black Belt/Green Belt). v) A track record of consultancy projects involving state-owned enterprises, particularly in Sub-Saharan Africa or similar environments.
The Experts	<p>1. Team Lead – Lean Management Specialist (1No.)</p> <ul style="list-style-type: none"> o A minimum of a master's degree in business administration, Engineering, Operations Management, or a related field.

	<ul style="list-style-type: none"> ○ Certified Lean Six Sigma Black Belt or equivalent Lean certification. (Master Black Belt preferred). ○ Proficient in Lean tools (5S, Kaizen, A3, Standard Work, VSM). ○ At least 10 years of professional experience, with a minimum of 5 years leading Lean transformation projects in large organizations. ○ Demonstrated leadership in at least two (2) end-to-end Lean implementation projects. <p>2. Lean Management Experts (LMEs) (3No.s)</p> <ul style="list-style-type: none"> ○ Bachelor's degree in Procurement, Business, IT, Finance, or a related field. ○ Certified Lean Six Sigma Green Belt (Black Belt preferred), or equivalent qualification. ○ Proficient in Lean tools (5S, Kaizen, A3, VSM). ○ At least 5 years of experience in business process improvement, Lean implementation, or operations consultancy. ○ Experienced in process mapping, waste elimination, and root cause analysis ○ Proven track record in facilitating Kaizen events, process mapping, waste elimination, and performance management systems. <p>3. Technical Experts (TEs) (3No.s)</p> <ul style="list-style-type: none"> ○ Master's degree in engineering, Energy Systems, or Operations Management. ○ Certified Lean Six Sigma Black Belt ○ At least 10 years of professional experience, with 5+ years applying Lean in utility or asset-intensive sectors. ○ Prior work in electricity utilities (generation, transmission, distribution, or customer service operations) is an added advantage ○ Familiar with utility KPIs (e.g., SAIDI, SAIFI, losses). ○ Strong understanding of electric utility operations, regulatory standards, and performance improvement frameworks. <p>4. Business Analyst</p> <ul style="list-style-type: none"> ○ Bachelor's Degree in Business, Economics, Data Analytics, or a related discipline. ○ At least 5 years of experience in business process analysis, data modeling, and reporting. ○ Proficient in tools such as MS Excel, Power BI/Tableau, and business process mapping software. ○ Experience in supporting Lean or process improvement initiatives will be an added advantage
--	---

10. Eligibility

The consultancy is open for both local and international eligible to work in Kenya

11. Payment Terms

Payments will be based on the successful completion of key milestones deliverable as follows:

Milestone	Payment (%)
Inception Report with detailed methodology and work plan.	10%
Operational Efficiency Assessment Report.	25%
Lean Implementation Roadmap and Action Plan.	20%
Training Modules and Sessions for KPLC staff.	25%
Final Report summarizing findings, progress, and recommendations.	20%

