



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

Our Ref: KP1/6E-2/PT/1/16/A47

15th September, 2016

M/s

Dear Sir/ Madam:

CLARIFICATION No 1: ON: ICB No: KP1/6E-2/PT/1/16/A47 FOR PROCUREMENT TREATED WOODEN POLES ISSUED ON 14th JULY, 2016 WITH AMMENDMENT ISSUED ON 06th SEPTEMBER, 2016

1. CLARIFICATION TO BID DOCUMENT

Bidding Documents have been amended and re-advertised as Revised Bidding Documents issued on 6th September, 2016 in the Local Dailies, and simultaneously published in the KPLC website under this link: <http://www.kplc.co.ke/content/item/1681/amendment-no.1-issued-on-6th-september-of-bidding-document-for-icb-no.-KP1/6E-2/PT/1/16/A47>

The following responses are made to clarifications sought on various issues in the Bidding Documents for Procurement of Treated Wooden Poles.

QUERY NO.	QUERY	RESPONSE
1	<p>Reference to the advert on Treated Wooden Poles appearing in today's Daily Nation, we would be keen to offer our bid for the same though on Fibreglass Poles which we have been trying to get a detailed response on from your company.</p> <p>We strongly believe that Fibreglass Poles will offer a viable solution at reasonable rates.</p> <p>Let us know if your organization is open for this kind of technology and serious discussions on the same.</p> <p>Hoping for your positive and timely reply.</p>	<p>Our Scope of Bid is for Treated Wooden Poles as specified in Section II-Bid Data Sheet(BDS);ITB 1.1.</p> <p>Further, refer to Section VII-Schedule of Requirements for more details.</p>

QUERY NO.	QUERY	RESPONSE
2	<p>We are a reputable wood processing company in Estonia. We offer treated and untreated wood and impregnated utility poles (Tanalith E Poles and Creosoted Poles), and various other wood related items. We sell our utility poles to various companies including local Estonian national electricity producer Eesti Energia.</p> <p>Mainly we are dealing with pine poles, also called Nordic poles. You can find more about our poles in our product catalogue in attachment.</p> <p>We noticed your tender and we should be able to fulfil your requirement. Please let us know the procedure for making offer and we look forward to all possibilities of cooperation. Since we are located outside Kenya in Europe, please give us instructions accordingly.</p>	<p>A complete set of bidding documents in English may be downloaded without any fee by interested bidders at www.kplc.co.ke or purchased at the address below upon payment of a non-refundable fee of KES 1000 or equivalent amount in a freely convertible currency. The method of payment will be Cash or Bankers Cheque, payable at the Chief Accountant's Office, KPLC, Stima Plaza, 1st Floor, and receipt obtained.</p> <p>Under www.kplc.co.ke use <u>this Link:</u> http://www.kplc.co.ke/content/item/1594/invitation-for-bidsifb-treated-wooden-poles-14th-july,2016</p>
3	<p>We are intending to participate in the above tender for treated wooden poles and in this regard we request you to kindly clarify on the following:</p> <ol style="list-style-type: none"> 1. If we are bidding for all lots, do we need to make separate sets (one original and two copies)separately for all the lots i 2. Can we have only one set for all the lots.(A set having one original and two copies) 3. Bid Capacity Information: As most of our supply of treated wooden poles has been to KPLC do we need to submit the copies of the following documents: <ul style="list-style-type: none"> • Copies of all invoices for all the deliveries made in the last five years • Copies of contract and order copies <p style="text-align: center;">As the documents become very bulky. Also we are arranging for the Auditor Certifying the Capacity Declaration Form</p> <p>Appreciate if you can clarify on the above, to enable us to start working on the required documents.</p>	<ol style="list-style-type: none"> 1. You may submit one bid for multiple lots, However the purchaser prefers submission of separate sets for different lots. 2. Yes 3. Please submit Contract copies and contract completion certificate

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4	<p>If you can please be as kind as to give me some clarity on the following aspects on the Bidding document.</p> <p>Page 42 a) If Bidder is Manufacturer :</p> <p>(i) Financial Capability</p> <p>b) The minimum average annual turnover as indicated on the table below which is Calculated as total certified payments received for contracts in progress or completed, within the last five years</p> <p>Question – If my turnover for the last 5 years in USD million was 8, 9, 10 11.5 and 12 is the “total certified payments” 50.5 or 10.1 (50.5 / 5 =10.1)</p> <p>Page 44 – Capacity Declaration</p> <p>Question – Based on the capacity calculation does it mean that is we have capacity to do one of the Lots that we can only bid on one lot? What happens if all the bidder bid only on Lot 1?</p> <p>I would appreciate if you can explain the above process to me? I also see the above requirements fall under point 3.1 on page 41 with the heading “Post qualification Requirements”</p>	<p>The minimum average annual turnover is the average of the total certified payments received in the five years i.e. total certified payments received from contracts divided by five -Meaning turnover shall include only payments received nothing else.</p> <p>That is a requirement for a bidder to get more than one Lot and it MUST be met. Bidders are at liberty to bid any number of lots even if they are qualified for one lot. When bidder is qualified for one lot, Bidder may bid for one or more lots and contract will be awarded to the lowest evaluated responsive bidder who meets post Qualification Requirements.</p> <ul style="list-style-type: none"> Refer to requirements under Section III: Evaluation and Qualification Criteria-Capacity Declaration Form
	<p>Reference is made to the ICB No: KPL/6E-2/PT/1/16/A47 for Treated Wood Poles.</p> <p>The Specification referred to in this ICB is for treated wood poles Part 1: Eucalyptus Poles.</p> <p>However, we are in a possession of Part 2: Soft Wood Poles. Copy attached.</p> <p>As you may well know, Eucalyptus poles do not grow in the Northern Hemisphere, and therefore we could supply only pine poles. On the other hand, poles made of Scots Pine (<i>Pinus Sylvestris</i>) are reputedly the best available wood species for poles.</p>	<p>Bidder may bid using Specifications for Soft Wood KPLC1-3CB-TSP-03-001-2 or Specification for Treated Wood Poles Part 1-Eucalyptus Poles, available in KPLC Website-www.kplc.co.ke, under this links: http://www.kplc.co.ke/content/item/1594/invitation-for-bidsifb-treated-wooden-poles-14th-july,2016;</p>

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	<p>Question: Would you consider also bids, made against the above mentioned ICB, based on soft wood poles? Or is the purchase limited to Eucalyptus species only?</p>	<p>http://www.kplc.co.ke/content/item/1681/amendment-no.1-issued-on-6th-september-of-bidding-document-for-icb-no.-KP1/6E-2/PT/1/16/A47-for-procurement-of-treated-wooden-poles-issued-on-14th-july,2016.</p>
5	<p>On page 44 of the tender document, it has been indicated that the months prescribed for completion of the supply for this bid / tender is 18 months. However, in the section for schedule of requirements, the table that the bidder is required to fill out indicates the latest delivery date as 6 months after date of contract signature.</p> <p>Could you please clarify which the period is given for completion of supply if the contract is awarded?</p>	<p>Refer to Section VII-Supply Requirements.</p> <p>Detailed information is available under List of Goods and Delivery Schedule for each Lot. Supply should commence after 3 months and completed within 18 months as specified in Section VII-Supply Requirements</p>
6	<p>In the ITB 19.3 (a), the bidders have been given the option of the bid security being in the form of a demand guarantee from a financial institution like an INSURANCE COMPANY. In the BDS, the source of the guarantee has not been specified as well.</p> <p>Does this mean that you will accept bid securities for this tender from INSURANCE COMPANIES registered with PPOA?</p> <p>In addition, in the bidding forms provided, the only format given for the form of the bid security has been labelled <i>BANK GUARANTEE</i>. Does it suffice to say we can use the same format for the other forms of bid security the bidder may wish to provide as long as the comply with ITB 19.3?</p>	<p>Bid Security shall be in the Form of a Bank Guarantee only, and in the Format provided under Section IV: Bidding Forms, of the Bidding Documents.</p> <p>No.</p> <p>Refer to amendment issued.</p>
7	<p>ITB 14.8 mentions the place of destination as CIP Mombasa. Since we are planning to transport poles from Uganda via road please clarify this is acceptable.</p> <p>ITB 14.8 – please confirm that the final destinations are the respective stores as mentioned in the tender document</p>	<p>Yes, other Port of Entry (Border Point) is acceptable.</p> <p>Final destinations are as indicated in the Bidding documents.</p>

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8	Since KPLC will be making direct payment to KRA for all the duties. VAT., taxes, levies, etc. Please clarify whether these payments will be done by KPLC in advance upon submission of invoices and all the necessary documents for clearing?	No, Payments will be done on submission of shipping documents and import entry.
9	ITB 18.3. The clause that mentions that the bid price is 0.1% per week is adjustable. Please clarify what this means and how this adjustment will operate.	Refer to Section I- Instruction to Bidders Clause 18.3, and 18.3(a) as supplemented by ITB 18.3(a) Section II of the Bid Data Sheet(BDS)
10	Section III – Evaluation and Qualification Criteria – Page 40 – In a joint venture arrangement between a foreign manufacturer and a local manufacturer, will the margin of preference still apply if it can be demonstrated that at least 30% of the goods to be supplied will be sourced and manufactured in Kenya?	For Joint Venture agreement or arrangement, refer to Section I- Instructions to Bidders (ITB 4.1). About the applicability of margin of preference, refer to Section III-Evaluation and Qualification Criteria- 1.Margin of Preference(ITB 33),(a),(b) and (c)
11	<p>Evaluation and Qualification Criteria (Page 42): states that the minimum average annual turnover which is calculated as total certified payments received for contracts in progress or completed, within the last five years should be</p> <p style="padding-left: 40px;">Lot 1 - \$ 11.4 million Lot 2 - \$ 15.8 million Lot 3 - \$ 13.9 million</p> <p>Please clarify what is the exact meaning of total certified payments received - Does this mean total turnover or does it mean actual cash flow? We believe that this condition is extremely tough keeping in mind that the business environment changes very quickly in the current globalization, would it be satisfactory if we met the required annual average over the past 3 years and also demonstrate our current business strength and capacity.</p>	<p>The measured parameter is the Turn Over not Cash flow.</p> <p>Refer to Amendment No.1, and Revised Bidding Document for treated wooden poles issued on 6th September, 2016-available under this Link: http://www.kplc.co.ke/content/item/1681/amendment-no.1-issued-on-6th-september-to-bidding-document-for-icb-no.-KP1/6E-2/PT/1/16/A47-for-procurement-of-treated-wooden-poles-issued-on-14th-july,2016.</p>
12	Evaluation and Qualification Criteria - Page 42 – Are the minimum turnover requirements cumulative, i.e. if the bidder bids for lots 2 and 3 does the bidder need to have total turnover of \$ 29.7 million?	<p>The turn over requirement is cumulative.</p> <p>Changes have been made on turn over details-refer to</p>

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		<p>amendment No.1 and revised bidding documents issued on 6th September,2016 and now available under this link: http://www.kplc.co.ke/content/item/1681/amendment-no.1-issued-on-6th-september-of-bidding-document-to-bidding-document-for-icb-no.-KP1/6E-2/PT/1/16/A47-fo-procurement-of-treated-wooden-poles-issued-on-14th-july,2016.</p>
13	<p>Evaluation and Qualification Criteria - Page 43 – states that when a bidder is not from the purchaser’s country that the bidder must have supplied 66,000/10m, 4,300/11m and 4,000/12m outside the country of the bidder during the last five years (for one lot or multiple lots).</p> <ul style="list-style-type: none"> ○ Does this mean that a total of 74,300 poles must have been exported in the previous 5 years? ○ If a bidder has exported a total of 74,300 poles over 5 years but not the specific requirement for sizes (i.e. the bidder has exported 9 metre of 13 metre poles (instead of 10 metre poles) will the bidder still qualify? 	<p>Refer to the formula provided against Capacity Declaration Form on Page 44.</p>
14	<p>Is it possible to assign receivables from the bidding company to the manufacturer such that the manufacturer invoices directly to KPLC and payments are made directly into the bank account of the manufacturer by KPLC?</p>	<p>No</p>
15	<p>Evaluation and Qualification Criteria - Page 44 – Available bid capacity formula is provided. How will the annual quantity supplied be calculated? Is this going to be sum total of all the quantities supplied in the bidder’s country plus supplies outside the bidder’s country?</p>	<p>Yes, further refer to Supply Available Bid Capacity Formula provided for details.</p>
16	<p>Is a bidder able to bid directly for one lot and also offer a manufacturer authorization for another lot?</p>	<p>Yes, refer to ITB 4.2 (d), or (e) under Section I: Instructions to Bidders. and</p>

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		Section III Post Qualification Requirements
17	I refer to Section III Evaluation and Qualification Criteria under ITB 36.1 (pages 42). "For award of contracts for more than one lot the Bidder (s) shall be required to meet the cumulative post qualification requirements for Does it mean that if you do not meet the qualifications of Post Qualification Requirements but was qualified amongst the lowest-evaluation bid in accordance to ITB 53.1, then only quality for an award of only one lot?	Yes, the supply capacity for each lot must be met as detailed in the section III-post qualification requirement- supply capacity requirements.
18	Under the same section on page 42 (ii) Experience capacity paragraph 9a) "The Bidder shall have a minimum of Five (5) years' experience in manufacturing the wooden poles". As you are aware, KPLC started issuance of certification of treatment plants in the year 2012 (I stand to be corrected on the date). In the previous years, no such plant approvals were given by KPLC. Which documents shall form part of proof that a manufacturer has been in production for the last five years?	Any documentary evidence on supply of wooden poles will be considered e.g. Certified LPO's and Contracts
19	The bid document is clear as to the minimum bids expected i.e. in whole lots. Is the purchaser intending then to award each lot to just 1 bidder?	Refer to Section II: Bidding DATA Sheet (BDS), ITB 38.1 for details.
20	Is it acceptable for the bidder to furnish the bid security from 2 or 3 different banks provided that the total securities cover the minimum guarantee required?	Yes, further refer to the instructions for Form of Bid Security (Bank Guarantee) under Section IV-Bidding Forms.
21	In the event of an agency agreement with a manufacturer bidder, will KPLC separate payment for the agent and the bidder in the event of a successful bid?	No, Bids will be accepted from a manufacturer or an authorized agent who has been issued a Letter of Manufacturer's Authorization. In the event an authorized agent is awarded a contract, the contract will be between the agent (as the Supplier) and KPLC (as the Purchaser) and payments will be made to the Supplier against deliveries".

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22	Lastly, is there a scheduled pre-bid meeting for this tender?	There is no pre-bid meeting.
23	<p>We are a manufacturer of treated wooden poles in Tanzania, and we wish to bid for the supply of the same. While filling up the price schedule we found that the unit price CIP Mombasa has to be quoted whereas we plan to supply by road by using the Arusha Nairobi highway.</p> <p>Kindly let us know how we should proceed, e.g., which form we should select for price schedule (out of the three given for each lot)? If we opt for the route mentioned above, then what should we mention in column no. 6? etc.</p>	<p>Other Port of Entry (Border Point) is acceptable.</p> <p>Use appropriate Price Schedule for your specific case. Also, refer to details under ITB 14.8 as instructed in column 6. If the poles are manufacture outside Kenya and not yet imported, then you will use Price Schedule: Goods Manufactured outside Purchaser's country, to be imported</p>
24	<p>Instruction to bidders, Section 4.2(e). Are bidders allowed to:</p> <p>Bid directly for more than one lot</p>	<p>Bidders are at liberty to bid any number of lots even if they are qualified for one lot. When bidder is qualified for one lot, Bidder may bid for one or more lots and contract will be awarded to the lowest evaluated responsive bidder who meets post Qualification Requirements. (Refer Section III, Evaluation Criteria (ITB 34) Sub-Section 2.2. Multiple Contracts (ITB 34.4) and ITB 36.1 Post-Qualification Requirements for one or more lots</p>
	<p>Bid directly for one lot and offer a manufacturer authorisation to a third party for a different lot (for example- bid direct into lot 2 but offer a manufacturer authorization for lot 1)</p>	<p>Yes, the requirements must be met refer to section III-Sub-Section ITB 36 post qualification requirements</p>
	<p>Bid directly and in a joint venture for different lots (for example- bid direct into lot 2 and in a joint venture arrangement for lot 1)</p>	<p>Yes</p>

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25	Section III- Evaluation and Qualification Criteria- Page 40- In a joint venture arrangement between a foreign manufacturer and a local manufacturer, will the margin of preference still apply if it can be demonstrated that at least 30 % of the goods to be supplied will be sourced and manufactured in Kenya	No, Refer to Section III Evaluation and Qualification Criteria – Margin of Preference (ITB 33)- Group A & B
26	Is it possible to assign receivables from the bidding company to the Manufacturer such that the manufacturer invoices directly to KPLC and payments are made directly into the bank account of the manufacturer by KPLC?	NO,

Yours faithfully,

For: KENYA POWER & LIGHTING COMPANY LIMITED.



FRANCIS KAHUMBI

FOR: ELECTRIFICATION PROJECT MANAGER

