

Procurement Of 132 kV Underground Cable Nanyuki – Rumuruti Transmission Line (AfDB Funded), Tender No.: KETRACO/PT/009/2021

Clarification List - 07

Sl. No.	Ref Clause	Provision as per Bidding Document	Clarification requested/ Query	Response
1.	Section IV – Bidding Forms Form of Bid Security (Bank Guarantee)	<p>..... (b) having been notified of the acceptance of its Bid by the Beneficiary during the period of bid validity or any extension thereto provided by the Applicant, (i) fails or refuses to execute the Contract Form, if required, or (ii) fails or refuses to furnish the performance security, in accordance with ITB 38.</p> <p>This guarantee will expire: (a) if the Applicant is the successful Bidder, upon our receipt of copies of the contract signed by the Applicant and the performance security issued to you upon the instruction of the Bidder; and (b) if the Applicant is not the successful Bidder, upon the earlier of: (i) our receipt of a copy your notification to the Applicant of the name of the successful Bidder; or (ii) twenty-eight days after the expiration of the Bid Validity Period.....</p>	<p><u>OFFER GUARANTEE</u></p> <p>In the following text of the offer guarantee:</p> <p>This guarantee will expire:</p> <p>(a) if the Applicant is the successful Bidder, upon our receipt of copies of the contract signed by the Applicant and the performance security issued to you upon the instruction of the Bidder; and</p> <p>(b) if the Applicant is not the successful Bidder, upon the earlier of:</p> <p>(i) our receipt of a copy your notification to the Applicant of the name of the successful Bidder; or</p> <p>ii) twenty-eight days after the expiration of the Bid Validity Period</p> <p>We request to include the following text:</p> <p><u>Or (iii) at 21/03/2022.</u></p> <p>(there are 180+28 days or the date according with this principle in case of the postponement of the tender).</p>	<p>Adhere to the specifications given in the Form of Bid Security (Bank Guarantee).</p>
2.	Addendum 4: Section II – Bid Data Sheet Clause ITB 22.1	<p>The deadline for bid submission is extended to</p> <p>Date: Friday, 10th September 2021</p> <p>Time: 10:00a.m</p>	<p><u>REQUEST OF THE POSTPONEMENT DATE OF SUBMISSION OF THE OFFER FOR 1 MONTH</u></p> <p>We are studying the offer and together with our collaborators, due to the necessary updates for the prices of raw materials for cable and other components and also for transport, August also</p>	<p>The closing date for the bid is as per addendum 5.</p> <p>The deadline for bid submission is extended to</p> <p>Date: Friday, 10th September 2021</p>

Procurement Of 132 kV Underground Cable Nanyuki – Rumuruti Transmission Line (AfDB Funded), Tender No.: KETRACO/PT/009/2021

Clarification List - 07

Sl. No.	Ref Clause	Provision as per Bidding Document	Clarification requested/ Query	Response						
			<p>being the month with the least industrial activity, in order to offer a professional offer, as KETRACO deserves, we ask you to give us 1 more month to present the offer.</p> <p>This will allow us to offer a competitive economic and technical offer.</p>	Time: 10:00a.m						
3.	Section VIII Particular Conditions Clause ITB 14.2.1	<p>14.2.1 Total advance payment Twenty Percentage (20%) of the Accepted Contract Amount payable against receipt of an Advance Payment Guarantee issued by the Contractor from a tier 1 bank licensed by the Central Bank of Kenya and will be in the form of a Form of "Advance Payment Security" furnished in Section IX, Contract Forms in the amount(s) and in the currencies and proportions in which the Accepted Contract Amount is payable</p> <p>14.2.5.(b) Repayment amortisation rate of advance payment Thirty Percent (30%)</p>	<p><u>PAYMENTS TERMS</u> According with the next paragraphs, KETRACO will give an advance payment of 20%,</p> <table border="1" data-bbox="1070 703 1632 1458"> <tr> <td data-bbox="1070 703 1249 1353">Total advance payment</td> <td data-bbox="1249 703 1323 1353">14.2.1</td> <td data-bbox="1323 703 1632 1353">Twenty Percentage (20%) of the Accepted Contract Amount payable against receipt of an Advance Payment Guarantee issued by the Contractor from a tier 1 bank licensed by the Central Bank of Kenya and will be in the form of a Form of "Advance Payment Security" furnished in Section IX, Contract Forms in the amount(s) and in the currencies and proportions in which the Accepted Contract Amount is payable</td> </tr> <tr> <td data-bbox="1070 1353 1249 1458">Repayment amortisation rate of</td> <td data-bbox="1249 1353 1323 1458">14.2.5(b)</td> <td data-bbox="1323 1353 1632 1458">Thirty Percent (30%)</td> </tr> </table>	Total advance payment	14.2.1	Twenty Percentage (20%) of the Accepted Contract Amount payable against receipt of an Advance Payment Guarantee issued by the Contractor from a tier 1 bank licensed by the Central Bank of Kenya and will be in the form of a Form of "Advance Payment Security" furnished in Section IX, Contract Forms in the amount(s) and in the currencies and proportions in which the Accepted Contract Amount is payable	Repayment amortisation rate of	14.2.5(b)	Thirty Percent (30%)	<p>The advance payment will be recovered as the contractor invoices progressively. The recovery will stop once the advance is all recovered.</p> <p>Can't interpret the question</p>
Total advance payment	14.2.1	Twenty Percentage (20%) of the Accepted Contract Amount payable against receipt of an Advance Payment Guarantee issued by the Contractor from a tier 1 bank licensed by the Central Bank of Kenya and will be in the form of a Form of "Advance Payment Security" furnished in Section IX, Contract Forms in the amount(s) and in the currencies and proportions in which the Accepted Contract Amount is payable								
Repayment amortisation rate of	14.2.5(b)	Thirty Percent (30%)								

Procurement Of 132 kV Underground Cable Nanyuki – Rumuruti Transmission Line (AfDB Funded), Tender No.: KETRACO/PT/009/2021

Clarification List - 07

Sl. No.	Ref Clause	Provision as per Bidding Document	Clarification requested/ Query	Response			
			<table border="1"> <tr> <td>advance payment</td> <td></td> <td></td> </tr> </table> <p>but later it will make a retention of 30% of the invoices until recovering the advance payment.</p> <p>This means that in the next invoices, the advance payment has been amortized.</p> <p>The question is that if KETRACO gives me an advance and that I must return it later, is still pending the 20%.</p> <p>According with the Payments Terms, 100% is not going to be pay, because the sum of the remainder is 80%.</p> <p>Please interpret this question for us, because we do not know when this amount will be pay.</p>	advance payment			
advance payment							
4.	Item 14 of Clarification 1 – Section III – Evaluation and Qualification Criteria, Clause 2.3.1 Historical Financial Performance	a. Net worth calculated as the difference between total assets and total liabilities should be positive b. The profit margin calculated as Profit (after tax) / Total Revenue should not be less than 1.5	As per Item 14 of Clarification 1, <i>"b) The profit margin calculated as Profit (after tax) / Total Revenue should not be less than 1.5"</i> i.e. Profit (after tax) is 150% of Total revenue We have observed that this is incorrect as it is impossible to achieve. Kindly clarify.	Average profit margin for the last 3 Financial years calculated as Profit (after tax) / Total Revenue should not be less than 10%			
5.	Item 14 of Clarification 1 – Section III – Evaluation and Qualification Criteria, Clause 2.3.1 Historical Financial Performance	c. The gross profit margin (gross profit / Revenue) should not be less than 1.15 d. Positive net cash inflow	As per Item 14 of Clarification 1, <i>"c) The gross profit margin (gross profit / Revenue) should not be less than 1.15"</i> i.e. Gross profit margin if 115% of Revenue	Average gross profit margin for the last three financial years (gross profit / Revenue) should not be less than 20%			

Procurement Of 132 kV Underground Cable Nanyuki – Rumuruti Transmission Line (AfDB Funded), Tender No.: KETRACO/PT/009/2021

Clarification List - 07

Sl. No.	Ref Clause	Provision as per Bidding Document	Clarification requested/ Query	Response
		e. Working capital (Current Assets + Inventories – Current Liabilities) should be positive	We have observed that this is incorrect as it is impossible to achieve. Kindly clarify.	
6.	Item 14 of Clarification 1 – Section III – Evaluation and Qualification Criteria, Clause 2.3.1 Historical Financial Performance	<p>f. Current ratio (current assets/current liabilities not less than 1.5</p> <p>g. Debt to asset (Total Liabilities/Total Assets) not less than 1.6</p> <p>h. Interest coverage ratio (EBIT / Interest expenses) should not be less than 1.4. EBIT is earnings before interest and tax.</p> <p>Note</p> <p>The criteria are the minimum requirement. The financial information provided by a Bidder will be reviewed in its entirety.</p>	<p>As per Item 14 of Clarification 1, "g) Debt to asset (Total Liabilities / Total assets) not less than 1.6"</p> <p>i.e. Debt is not less than 160% of Total assets</p> <p>We have observed that this ratio should be less than 1.6 as the companies will be financially stable with minimum debts with respect to its assets. Kindly clarify.</p>	Debt to asset ratio (Total Liabilities/Total Assets) not more than 60%
7.	Section III Evaluation and Qualification Criteria - Clause 2.4.2 (b)Design, supply, installation and commissioning of at least 30 km underground cable Transmission lines of voltages 132kV or above based on the physical size, complexity, methods, technology or other characteristics as described in Section VI, Employer's Requirements.	<p>We have noted the given Qualification Requirement for Form EXP 2.4.2 (a) and corresponding clarification response.</p> <p>It may please be noted, that project experience of 110 kV XLPE cable is similar / better to the requested 132 kV XLPE cable in the following respects:</p> <p>1. Cable construction:</p> <ul style="list-style-type: none"> o As per clause no 12.2 of IEC 60840, "the type approval shall be considered as valid for cable systems if the calculated nominal electrical stress at the cable insulation screen using nominal dimensions does not exceed the 	110kV level shall be deemed equivalent of 132kV in eligible countries where there is no 132kV.

Clarification List - 07

Sl. No.	Ref Clause	Provision as per Bidding Document	Clarification requested/ Query	Response
			<p><i>respective calculated stresses of the tested cable system”.</i></p> <ul style="list-style-type: none"> ○ As per IEC 60840 is silent regarding the insulation thickness & the insulation thickness is considered based on stress level on conductor & insulation screen. <p><i>The thickness of insulation required for required cable having voltage grade 132 kV is 16 mm, whereas the cables 110 kV supplied by us is having insulation thickness 20.32 mm of 110kV voltage grade and this meets the minimum requirement & electrical stress criteria as per IEC 60840.</i></p> <p>2. Cable Installation:</p> <ul style="list-style-type: none"> ○ The XLPE cables for both 110 kV and 132 kV cables are single core and laid in Trefoil or flat formation. The cables are laid on trenches, buried directly, laid in pipes / conduits, RCC ducts, tunnels, on air. So, the laying methods are identical with similar bonding arrangements, surge arrestors, terminal kits, jointing kits, Link boxes etc. <p>It is to be noted that voltage grade mentioned in the requirement depends on the electrical systems in each utility. Therefore, many utilities consider 132 kV system as 110kV and procure the cable under the category of 110kV cables inspite of having insulation thickness similar or higher than 132kV cable.</p>	

Procurement Of 132 kV Underground Cable Nanyuki – Rumuruti Transmission Line (AfDB Funded), Tender No.: KETRACO/PT/009/2021

Clarification List - 07

Sl. No.	Ref Clause	Provision as per Bidding Document	Clarification requested/ Query	Response
			<p>The project experience of 110 kV cable for our project is with similar construction and installation methods of required 132 kV cable. Thus, as per IEC 60840, the supplied 110 kV cable meets and qualify for 132 kV cable.</p> <p>Request you to consider the 110 kV project experience towards meeting the qualification requirement of 2.4.2 (a).</p>	
8.	Clarification -03, Item No.48	<p>1. Import Duties and Taxes on Imported Machinery and Equipment</p> <p>a) all imported materials, equipment and plant (including Mandatory Spares) to be used in this project are (unless exempted) subject to Import Duty, IDF, RAL and VAT, Tax Exemption granted under this contract shall be for official aid funded project and shall be as provides under the applicable tax laws in Kenya</p> <p>b) The amount paid for RDL VAT, IDF and imported Duty under 14.2.1(a) above shall be reimbursed to the Contractor by the Employer. The contractor shall pay VAT and all the applicable import duties and levies and thereafter seek for re-imburement from the Employer</p> <p>c) the price tendered by the Contractor shall include VAT, Imported Duties, RDL and IDF</p>	<p>According to this clarification, we think:</p> <ol style="list-style-type: none"> 1. Schedule-1 the foreign supply is an offshore part and Employer is the consignee/importer. 2. the Contractor pay the DUTY, IDF, RDL and VAT on the Single Administrative Document (SAD)-SIMBA of each shipment for the Employer during the customs clearance to KRA and thereafter the Employer will pay above costs back to the Contractor 3. When Employer make the payment to Contractor for the CIP amount of Foreign Supply and related Duty, IDF, RDL, VAT, the Contractor does not provide ETR to the Employer for such payment 4. When the Employer does evaluation of bidding price, whether tax exemption for each shipment is applicable o not, the Employer will evaluate the total amount (CIP amount and related DUTY, IDF, RDL, VAT), not only the CIP amount 	<ol style="list-style-type: none"> 1. Correct 2. The project is official aid funded and will be exempted from import duties, IDF, RDL and VAT. In case the contractor pays, he shall be refunded back. The contractor shall give the employer a Master list of all materials in advance and the employer will facilitate application for the list to be exempted by National Treasury. 3. The requirement for ETR is for any material or service procured without exemption or zero rating respectively and since the project is exempted, this won't apply. But incase the contractor pays and requests for refund, the necessary document shall be furnished to the employer for refund. 4. Bidders need to ensure this issue is clear during quotation. The project is tax exempted and CIP amount will be considered.




Procurement Of 132 kV Underground Cable Nanyuki – Rumuruti Transmission Line (AfDB Funded), Tender No.: KETRACO/PT/009/2021

Clarification List - 07

SI. No.	Ref Clause	Provision as per Bidding Document	Clarification requested/ Query	Response
			Please clarify if the above consideration about tax is correct	
9.			<p>If the Employer is the consignee/Importer, during the customs clearance, the tax invoice of KPA charges and Shipping Company Charge will be issued to the Employer's Name.</p> <p>For above situation, the Contractor can't claim VAT of such invoices and put them into the project cost.</p> <p>Please clarify if the Employer can re-imburse these costs to the Contractor</p>	The project is exempted from import duties, IDF, RDL and VAT.
10.	Clarification -03, Item No.48	<p>3. Local Taxation VAT</p> <p>All materials, plant and equipment purchased locally for permanent installation of the project are subject to Value Added Tax. Fuel used by the Contractor for transport or during construction is also subject to VAT.</p> <p>All works executed by local or foreign subcontractors for construction of the project are subject to VAT.</p>	<p>According to this clarification, we think:</p> <p>Schedule-4 Installation is an onshore part and when the Employer makes payment to the Contractors for Installation, the Contractor shall provide to the Employer for such payment</p> <p>Please clarify is the above consideration about tax is correct</p>	Schedule 4 items are subject to VAT exemption as per the applicable tax laws.
11.	Clarification -03, Item No.48	<p>3. Local Taxation VAT</p> <p>All materials, plant and equipment purchased locally for permanent installation of the project are subject to Value Added Tax. Fuel used by</p>	<p>If the work in schedule-3 Design Service is done outside Kenya,</p> <p>Please clarify:</p>	The project is VAT exempted inclusive of the design.




Procurement Of 132 kV Underground Cable Nanyuki – Rumuruti Transmission Line (AfDB Funded), Tender No.: KETRACO/PT/009/2021

Clarification List - 07

Sl. No.	Ref Clause	Provision as per Bidding Document	Clarification requested/ Query	Response
		<p>the Contractor for transport or during construction is also subject to VAT.</p> <p>All works executed by local or foreign subcontractors for construction of the project are subject to VAT.</p>	<ol style="list-style-type: none"> 1. if we can consider the Design Service as an offshore part 2. if the Design Service is subject to VAT 3. when the Employer makes payment for Design Service, if the Contractor needs to provide ETR for such payment. 	
12.			<p>Whereas TOC (Taking Over Certificate), PC (Performance Certificate) and FPC (Final Payment Certificate) are defined and explained in the GC clauses, CC (Completion Certificate) and OAC (Operational Acceptance Certificate) are referred to in Appendix 1. Terms and Procedures of payment. The payment procedure structure between TOC-PC-FPC and CC- OAC are different.</p> <p>Please clarify which structure will be employed at the project execution stage and make corresponding adjustments to the Terms of Payment.</p>	Appendix 1 will be revised to reflect the words used in GC.
13.		<p>In Clause 2 of Contract Agreement, the priority of relevant documents has been defined. But Contract Agreement and the appendices, which to our understanding are of the utmost importance are missing from the list.</p>	<p>Please clarify the priority of Contract Agreement and the appendices in comparison with other documents.</p> <p>Based on our understanding, the priority of Contract documents shall be:</p> <ol style="list-style-type: none"> (a) the Letter of Acceptance (b) Contract Agreement and its appendices (c) the Bid (d) the Addenda No ... [insert addenda numbers if any]. 	Refer to section VII; GCC 1.5. Clarifications are considered as part of 'the Tender'/ 'the Bid'.

Procurement Of 132 kV Underground Cable Nanyuki – Rumuruti Transmission Line (AfDB Funded), Tender No.: KETRACO/PT/009/2021

Clarification List - 07

Sl. No.	Ref Clause	Provision as per Bidding Document	Clarification requested/ Query	Response
			(e) the Particular Conditions (f) the General Conditions (g) the Specification (h) the Drawings; and (i) the completed Schedules,	
14.		In the Clause 2 of Contract Agreement, it states the priority of the Contract Documents is: (a) the Letter of Acceptance (b) the Bid (C) the Addenda No [insert addenda numbers if any].. (d) the Particular Conditions (e) the General Conditions (f) the Specification (g) the Drawings; and (h) the completed Schedules,	There is no Employer's Requirement (Volume 2) listed in the Contract Document. Maybe the Specification actually refer to Employer's Requirement, but if so, where to put the technical specification? Conventionally, the technical specification shall be prior to the Drawings. Please clarify.	the Specification actually refer to Employer's Requirement
15.	Section VIII. Particular Conditions - Clause 1.1.3.3 Time for Completion	The Time for Completion of the whole of the Facilities including commissioning shall be twelve (12) months from the Effective Date as described in the Contract Agreement	There is no definition of Effective Date in Contract Agreement. Please define Effective Date and specify the relation between Effective Date and Commencement Date in GC 8.1. Based on our understanding, the Effective Date is Commencement Date.	Refer to Clarification 4, item No 78. Under Particular Conditions 1.1.3.3, replace the words 'effective date' with 'commencement date'
16.	Section IX Contract Forms - Appendix 1. Terms and Procedures of Payment	The Time for Completion of the whole of the Facilities including commissioning shall be twelve (12) months from the Effective Date as described in the Contract Agreement	In Terms of Payment, only a percentage of progress payment has been defined, but no description of documents required for the payment has been made.	Required documents, are such as a railway consignment note, a road consignment note, insurance certificate, etc. as and where applicable.

Procurement Of 132 kV Underground Cable Nanyuki – Rumuruti Transmission Line (AfDB Funded), Tender No.: KETRACO/PT/009/2021

Clarification List - 07

Sl. No.	Ref Clause	Provision as per Bidding Document	Clarification requested/ Query	Response
			Please specify what documents are required for the payment. This is very important, because it highly related to the cost and time of the project execution.	
17.	Section IX Contract Forms - Appendix 4. Time Schedule Section VIII. Particular Conditions - Clause 1.1.3.3 Time for CompletionThe said Schedule shall be such that the whole of the Works are completed in twenty four months from the commencement date of the Contract..... The Time for Completion of the whole of the Facilities including commissioning shall be twelve (12) months from the Effective Date as described in the Contract Agreement	Please clarify which definition of Time for completion shall prevail.	The contract period shall be 12 months. Appendix 4 should be 'The said Schedule shall be such that the whole of the Works are completed in twelve months from the commencement date of the Contract.....' Under Particular Conditions 1.1.3.3, replace the words 'effective date' with 'commencement date'
18.			The number of permitted suppliers/subcontractors for each Major Equipment is not specified. Please clarify if only one supplier/subcontractor for each Major Equipment is allowed or multiple suppliers/subcontractors is OK.	The number of permitted suppliers/manufacture should be one for each major equipment. The number of permitted subcontractor will be dependent on the works the winning bidder will wish to subcontract out within the limit specified in the bidding document.
19.	Price List		EXCEL Price table QUANTITIES The quantities in the price table do not match with the lengths of the indicated route and neither with the lengths of the technical specifications. Also, the quantities in Schedule 1 do not match with the quantities in Schedule 4.	Refer to the previous clarifications for the changes made on the price list

Procurement Of 132 kV Underground Cable Nanyuki – Rumuruti Transmission Line (AfDB Funded), Tender No.: KETRACO/PT/009/2021

Clarification List - 07

Sl. No.	Ref Clause	Provision as per Bidding Document	Clarification requested/ Query	Response
			We appreciate if you could send us the updated the EXCEL Price Table.	
20.	Section IX Contract Forms - Appendix 1. Terms and Procedures of Payment	<p>Schedule No. 1. Plant and Equipment Supplied from Abroad</p> <p>Five percent (5%) of the total or pro rata CIP amount upon issue of the Taking-over Certificate, within forty-five (45) days after receipt of invoice.</p> <p>Five percent (5%) of the total or pro rata CIP amount upon issue of the Performance Certificate, within forty-five (45) days after receipt of invoice.</p> <p>Schedule No. 2. Plant and Equipment Supplied from within the Employer's Country</p> <p>Five percent (5%) of the total or pro rata EXW amount upon issue of the Taking-over Certificate, within forty-five (45) days after receipt of invoice.</p> <p>Five percent (5%) of the total or pro rata EXW amount upon issue of the Performance Certificate, within forty-five (45) days after receipt of invoice.</p> <p>Schedule No. 4. Installation Services</p> <p>Five percent (5%) of the total or pro rata value of installation services performed by the</p>	<p>RETURN OF THE RETENTION (withholding) 10 %</p> <p>We ask information about that you indicate when the payment of 10% of the invoice retention will be return to the contractor.</p> <p>Withholding return information is unclear.</p> <p>Can be 12 months? Please confirm.</p>	Refer to 'Appendix 1. Terms and Procedures of Payment' which indicates for the different schedule

Procurement Of 132 kV Underground Cable Nanyuki – Rumuruti Transmission Line (AfDB Funded), Tender No.: KETRACO/PT/009/2021

Clarification List - 07

Sl. No.	Ref Clause	Provision as per Bidding Document	Clarification requested/ Query	Response
		<p>Contractor as evidenced by the Employer's authorization of the Contractor's monthly applications, upon issue of the Taking-over Certificate, within forty-five (45) days after receipt of invoice.</p> <p>Five percent (5%) of the total or pro rata value of installation services performed by the Contractor as evidenced by the Employer's authorization of the Contractor's monthly applications, upon issue of the Performance Certificate, within forty-five (45) days after receipt of invoice.</p>		
21.	<p>Section VIII. Particular Conditions - Percentage of Retention 14.3.2</p> <p>Section IX Contract Forms - Appendix 1. Terms and Procedures of Payment</p>	10% of the contract price	<p>RETENTION (withholding) OF 10%</p> <p>We consider this concept to be the same. Please confirm that the concept is the same.</p> <p>A- 10% Retention from:</p> <p>Particular Conditions</p> <p>Part A - Contract Data</p> <p>Percentage of Retention 14.3.2 10% of the contract price</p> <p>B- Is the same 10% from:</p> <p>Appendix 1. Terms and Procedures of Payment</p> <p>TERMS OF PAYMENT</p>	Retention shall be according to the payment terms and the retention shall not exceed 10% of the contract price.




Procurement Of 132 kV Underground Cable Nanyuki – Rumuruti Transmission Line (AfDB Funded), Tender No.: KETRACO/PT/009/2021

Clarification List - 07

Sl. No.	Ref Clause	Provision as per Bidding Document	Clarification requested/ Query	Response
22.			We request clarification as to whether a Manufacturer also called the Supplier be allowed to be a Main bidder in a Joint Venture /Consortium and still be a supplier i.e give Manufacturer's Authorization to other bidders	This is acceptable.



FCPA FERNANDES BARASA, OGW
MANAGING DIRECTOR

