KENYA REINSURANCE CORPORATION LTD

TENDER DOCUMENT
FOR
SUPPLY, DELIVERY, INSTALLATION, CONFIGURATION, TESTING, COMMISSIONING AND SUPPORT OF A UNIFIED IP TELEPHONY / UNIFIED COMMUNICATIONS SOLUTION

TENDER No. KRC/2026/2897/422

SUBMISSION DEADLINE – 3rd November 2026 at 10.00am.

AT THE 16TH FLOOR, Reinsurance Plaza, along Aga Khan Walk & Taifa Road
P.O.BOX 30271-00100
TEL: +254 703 083 000
Nairobi, Kenya
E-mail: procurement@kenyare.co.ke
Website: www.kenyare.co.ke

INVITATION TO TENDER (ITT)

PROCURING ENTITY: **KENYA REINSURANCE CORPORATION LTD. P.O. Box 30271, 00100 NAIROBI**

CONTRACT NAME AND DESCRIPTION: **SUPPLY, DELIVERY, INSTALLATION, CONFIGURATION, TESTING, COMMISSIONING AND SUPPORT OF A UNIFIED IP TELEPHONY / UNIFIED COMMUNICATIONS SOLUTION**

TENDER No. **KRC/2026/2897/422**

1. **The Kenya Reinsurance Corporation Ltd** (Kenya Re) invites sealed tenders for **Supply, delivery, installation, configuration, testing, commissioning and support of a unified IP telephony / unified communications solution.**
2. Tendering will be conducted under **open** competitive method National using a standardized tender document. Tendering is open to all qualified and interested Tenderers.
3. A complete set of tender documents may be obtained free of charge by interested tenders electronically from the Kenya Re Website (www.kenyare.go.ke or PPIP website http://tenders.go.ke). Tender documents may be viewed and downloaded for free from the website (*www.kenyare.co.ke*).
4. Tenderers who download the tender document must forward their particulars immediately to procurement@kenyare.co.ke to facilitate any further clarification or addendum.
5. All Tenders must be accompanied by a "Tender Security" of **KES 180,000.00** in any of the following forms: a bank guarantee; a guarantee by an insurance company registered and licensed by the Insurance Regulatory Authority listed by the Authority; a letter of credit; or guarantee by a deposit taking micro-finance institution, Sacco society, the Youth Enterprise Development Fund or the Women Enterprise Fund.
6. Completed tenders must be delivered to the address below on or before **10.00 AM on 3rd NOVEMBER 2026.** Electronic Tenders will not be permitted.
7. Tenders will be opened immediately after the deadline date and time specified above or any deadline date and time specified later. Tenders will be publicly opened in the presence of the Tenderers' designated representatives who choose to attend at the address below.
8. Late tenders will be rejected.
9. The addresses referred to above are:

   Address for Submission of Tenders.

   Managing Director

   Kenya Reinsurance Corporation Ltd

   P.O. BOX 30271-00100

   NAIROBI.

   Reinsurance Plaza, along Aga Khan Walk & Taifa Road, 16TH FLOOR.

The Original and Copy of the tender should be sealed in a single outer envelope, clearly marked: - Tender No. **KRC/2026/2897/422** for **SUPPLY, DELIVERY, INSTALLATION, CONFIGURATION, TESTING, COMMISSIONING AND SUPPORT OF A UNIFIED IP TELEPHONY / UNIFIED COMMUNICATIONS SOLUTION**

SECTION I: INSTRUCTIONS TO TENDERERS

A General Provisions

1. Scope of Tender

1.1 The Procuring Entity as defined in the TDS invites tenders for supply of goods and, if applicable, any Related Services incidental thereto, as specified in Section V, Supply Requirements. The name, identification, and number of lots (contracts) of this Tender Document are specified in the TDS.

1.2 Throughout this tendering document:

a) the term "in writing" means communicated in written form (e.g. by mail, e-mail, fax, including if specified in the TDS, distributed or received through the electronic-procurement system used by the Procuring Entity) with proof of receipt;

b) if the context so requires, "singular" means "plural" and vice versa;

c) "Day" means calendar day, unless otherwise specified as "Business Day". A Business Day is any day that is an official working day of the Procuring Entity. It excludes official public holidays.

2. Fraud and Corruption

2.1 The Procuring Entity requires compliance with the provisions of the Public Procurement and Asset Disposal Act, 2015, Section 62 "Declaration not to engage in corruption". The tender submitted by a person shall include a declaration that the person shall not engage in any corrupt or fraudulent practice and a declaration that the person or his or her sub-contractors are not debarred from participating in public procurement proceedings.

2.2 The Procuring Entity requires compliance with the provisions of the Competition Act 2010, regarding collusive practices in contracting. Any tenderer found to have engaged in collusive conduct shall be disqualified and criminal and/or civil sanctions may be imposed. To this effect, Tenders shall be required to complete and sign the "Certificate of Independent Tender Determination" annexed to the Form of Tender.

2.3 Unfair Competitive Advantage - Fairness and transparency in the tender process require that the firms or their Affiliates competing for a specific assignment do not derive a competitive advantage from having provided consulting services related to this tender. To that end, the Procuring Entity shall indicate in the **Data Sheet** and make available to all the firms together with this tender document all information that would in that respect give such firm any unfair competitive advantage over competing firms.

3. Eligible Tenderers

3.1 A Tenderer may be a firm that is a private entity, an individual, a state-owned enterprise or institution subject to ITT3.7, or any combination of such entities in the form of a joint venture (JV) under an existing agreement or with the intent to enter into such an agreement supported by a letter of intent. Public employees and their close relatives *(spouses, children, brothers, sisters and uncles and aunts)* are not eligible to participate in the tender.

In the case of a joint venture, all members shall be jointly and severally liable for the execution

of the entire Contract in accordance with the Contract terms. The JV shall nominate a Representative who shall have the authority to conduct all business for and on behalf of any and all the members of the JV during the Tendering process and, in the event the JV is awarded the Contract, during contract execution. The maximum number of JV members shall be specified in the **TDS.**

3.2 Public Officers of the Procuring Entity, their Spouses, Child, Parent, Brothers or Sister. Child, Parent, Brother, or Sister of a Spouse their business associates or agents and firms/organizations in which they have a substantial or controlling interest shall not be eligible to tender or be awarded a contract. Public Officers are also not allowed to participate in any procurement proceedings.

3.3 A Tenderer shall not have a conflict of interest. Any Tenderer found to have a conflict of interest shall be disqualified. A Tenderer may be considered to have a conflict of interest for the purpose of this Tendering process, if the Tenderer:

a) directly or indirectly controls, is controlled by or is under common control with another Tenderer; or

b) receives or has received any direct or indirect subsidy from another Tenderer; or

c) has the same - representative or ownership as another Tenderer; or

d) has a relationship with another Tenderer, directly or through common third parties, that puts it in a position to influence the Tender of another Tenderer, or influence the decisions of the Procuring Entity regarding this Tendering process; or

e) or any of its affiliates participated as a consultant in the preparation of the design or technical specifications of the goods that are the subject of the Tender; or

f) or any of its affiliates has been hired (or is proposed to be hired) by the Procuring Entity or Procuring Entity for the Contract implementation; or

g) would be providing goods, works, or non-consulting services resulting from or directly related to consulting services for the preparation or implementation of the project specified in the TDS ITT 1.1 that it provided or were provided by any affiliate that directly or indirectly controls, is controlled by, or is under common control with that firm; or has a close business or family relationship with a professional staff of the Procuring Entity (or of the project implementing agency, who: (i) are directly or indirectly involved in the preparation of the tendering document or specifications of the Contract, and/or the Tender evaluation process of such Contract; or (ii) would be involved in the implementation or supervision of such Contract unless the conflict stemming from such relationship has been resolved in a manner acceptable to the Procuring Entity throughout the Tendering process and execution of the Contract.

3.4 A tenderer shall not be involved in corrupt, coercive, obstructive, collusive or fraudulent practice. A tenderer that is proven to have been involved in any of these practices shall be automatically disqualified.

3.5 A firm that is a Tenderer (either individually or as a JV member) shall not submit more than one Tender, except for permitted alternative Tenders. This includes participation as a subcontractor. Such participation shall result in the disqualification of all Tenders in which the firm is involved. A firm that is not a Tenderer or a JV member, may participate as a subcontractor in more than one Tender. Members of a joint venture may not also make an individual tender, be a subcontractor in a separate tender or be part of another joint venture for the purposes of the same Tender.

3.6 A Tenderer may have the nationality of any country, subject to the restrictions pursuant to ITT3.9. A Tenderer shall be deemed to have the nationality of a country if the Tenderer is

constituted, incorporated, or registered in and operates in conformity with the provisions of the laws of that country, as evidenced by its articles of incorporation (or equivalent documents of constitution or association) and its registration documents, as the case may be. This criterion also shall apply to the determination of the nationality of proposed subcontractors or sub consultants for any part of the Contract including related Services.

3.7 A Tenderer that has been debarred by the PPRA from participating in public procurement shall be ineligible to tender or be awarded a contract. The list of debarred firms and individuals is available from the PPRA's website www.ppra.go.ke

3.8 Tenderers that are state-owned enterprises or institutions may be eligible to compete and be awarded a Contract(s) only if they are (i) a legal public entity of the state Government and/or public administration,(ii) financially autonomous and not receiving any significant subsidies or budget support from any public entity or Government, and (iii) operating under commercial law and vested with legal rights and liabilities similar to any commercial enterprise to enable it compete with firms in the private sector on an equal basis. Public employees and their close relatives are not eligible to participate in the tender.

3.9 Tenderers may be ineligible if their countries of origin (a) as a matter of law or official regulations, Kenya prohibits commercial relations with that country, or(b) by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, Kenya prohibits any import of goods or contracting for supply of goods or services from that country, or any payments to any country, person, or entity in that country. A tenderer shall provide such documentary evidence of eligibility satisfactory to the Procuring Entity, as the Procuring Entity shall reasonably request.

3.10 Tenderers shall provide the qualification information statement that the tenderer (including all members of a joint venture and subcontractors) is not associated, or have been associated in the past, directly or indirectly, with a firm or any of its affiliates which have been engaged by the Procuring entity to provide consulting services for the preparation of the design, specifications, and other documents to be used for the procurement of the goods under this Invitation for tenders.

3.11 Where the law requires tenderers to be registered with certain authorities in Kenya, such registration requirements shall be defined in the **TDS.**

3.12 The Competition Act of Kenya requires that firms wishing to tender as Joint Venture undertakings which may prevent, distort, or lessen competition in provision of services are prohibited unless they are exempt in accordance with the provisions of Section 25 of the Competition Act, 2010. JVs will be required to seek for exemption from the Competition Authority. Exemption shall not be a condition for tender, but it shall be a condition of contract award and signature. AJV tenderer shall be given opportunity to seek such exemption as a condition of award and signature of contract. Application for exemption from the Competition Authority of Kenya may be accessed from the website www.cak.go.ke.

3.13 A Kenyan tenderer shall provide evidence of having fulfilled his/her tax obligations by producing a current tax clearance certificate or tax exemption certificate issued by the Kenya Revenue Authority.

4. Eligible Goods and Related Services

4.1 All the Goods and Related Services to be supplied under the Contract shall have their origin in any country that is eligible in accordance with ITT 3.9.

4.2 For purposes of this ITT, the term "goods" includes commodities, raw material, machinery, equipment, and industrial plants; and "related services" include services such as insurance,

installation, training, and initial maintenance.

4.3 The term "origin" means the country where the goods have been mined, grown, cultivated, produced, manufactured or processed; or, through manufacture, processing, or assembly, another commercially recognized article results that differs substantially in its basic characteristics from its components.

4.4 A procuring entity shall ensure that the items listed below shall be sourced from Kenya and there shall be no substitutions from foreign sources. The affected items are:

a) motor vehicles, plant and equipment which are assembled in Kenya;

b) furniture, textile, foodstuffs, oil and gas, information communication technology, steel, cement, leather, agro-processed products, sanitary products, and other goods made in Kenya; or

c) goods manufactured, mined, extracted, or grown in Kenya.

4.5 Any goods, works and production processes with characteristics that have been declared by the relevant national environmental protection agency or by other competent authority as harmful to human beings and to the environment shall not be eligible for procurement.

5. Sections of Tendering Document

5.1 The tendering document consist of Parts 1, 2, and 3, which include all the sections indicated below, and should be read in conjunction with any Addenda issued in accordance with ITT8.

PART1: TENDERING PROCEDURES

i) Section I - Instructions to Tenderers (ITT)

ii) Section II - Tendering Data Sheet (TDS)

iii) Section III - Evaluation and Qualification Criteria

iv) Section IV - Tendering Forms

PART 2: Procuring Entity's Requirements

v) Section V - Procuring Entity's Requirements

PART 3: CONTRACT

vi) Section VI - General Conditions of Contract (GCC)

vii) Section VII - Special Conditions of Contract (SCC)

viii) Section VIII- Contract Forms

5.2 The notice of Invitation to Tender or the notice to the prequalified Tenderers issued by the Procuring Entity is not part of the tendering document.

5.3 Unless obtained directly from the Procuring Entity, the Procuring Entity is not responsible for the completeness of the document, responses to requests for clarification, the minutes of the pre-tender meeting (if any), or addenda to the tendering document in accordance with ITT7.

5.4 The Tenderer is expected to examine all instructions, forms, terms, and specifications in the tendering document and to furnish with its Tender all information or documentation as is required by the tendering document.

6. Clarification of Tendering Document

6.1 A Tenderer requiring any clarification of the Tender Document shall contact the Procuring

Entity in writing at the Procuring Entity's address specified in the **TDS** or raise its enquiries during the pre-Tender meeting if provided for in accordance with ITT 6.4. The Procuring Entity will respond in writing to any request for clarification, provided that such request is received no later than the period specified in the **TDS** prior to the deadline for submission of tenders. The Procuring Entity shall forward copies of its response to all tenderers who have acquired the Tender documents in accordance with ITT 5.3, including a description of the inquiry but without identifying its source. If so specified in the **TDS,** the Procuring Entity shall also promptly publish its response at the web page identified in the **TDS.** Should the clarification result in changes to the essential elements of the Tender Documents, the Procuring Entity shall amend the Tender Documents following the procedure under ITT 7.

6.2 The Procuring Entity shall specify in the **TDS** if a pre-tender conference will be held, when and where. The Tenderer's designated representative is invited to attend a pre-Tender meeting. The purpose of the meeting will be to clarify issues and to answer questions on any matter that may be raised at that stage.

6.3 The Tenderer is requested to submit any questions in writing, to reach the Procuring Entity not later than the period specified in the **TDS** before the meeting.

6.4 Minutes of the pre-Tender meeting, if applicable, including the text of the questions asked by Tenderers and the responses given, together with any responses prepared after the meeting, will be transmitted promptly to all Tenderers who have acquired the Tender Documents in accordance with ITT 6.3. Minutes shall not identify the source of the questions asked.

6.5 The Procuring Entity shall also promptly publish anonymized (*no names*) Minutes of the pre-Tender meeting at the web page identified **in the TDS**. Any modification to the Tender Documents that may become necessary as a result of the pre-Tender meeting shall be made by the Procuring Entity exclusively through the issue of an Addendum pursuant to ITT 7 and not through the minutes of the pre-Tender meeting. Nonattendance at the pre- Tender meeting will not be a cause for disqualification of a Tenderer.

7. Amendment of Tendering Document

7.1 At any time prior to the deadline for submission of Tenders, the Procuring Entity may amend the tendering document by issuing addenda.

7.2 Any addendum issued shall be part of the tendering document and shall be communicated in writing to all who have obtained the tender document from the Procuring Entity in accordance with ITT 6.3. The Procuring Entity shall also promptly publish the addendum on the Procuring Entity's web page in accordance with ITT 7.1.

7.3 To give prospective Tenderers reasonable time in which to take an addendum into account in preparing their Tenders, the Procuring Entity may, at its discretion, extend the deadline for the submission of Tenders, pursuant to ITT 21.2.

C. Preparation of Tenders

8. Cost of Tendering

8.1 The Tenderer shall bear all costs associated with the preparation and submission of its Tender, and the Procuring Entity shall not be responsible or liable for those costs, regardless of the conduct or outcome of the Tendering process.

9. Language of Tender

9.1 The Tender, as well as all correspondence and documents relating to the Tender exchanged by the Tenderer and the Procuring Entity, shall be written in English Language**.** Supporting documents and printed literature that are part of the Tender may be in another language provided they are accompanied by an accurate translation of the relevant passages into the English Language**,** in which case, for purposes of interpretation of the Tender, such translation shall govern.

10. Documents Comprising the Tender

10.1 The Tender shall comprise the following:

a) Form of Tender prepared in accordance with ITT11;

b) Price Schedules: completed in accordance with ITT 11 and ITT 13;

c) Tender Security or Tender-Securing Declaration, in accordance with ITT 18.1;

d) Alternative Tender: if permissible, in accordance with ITT12;

e) Authorization: written confirmation authorizing the signatory of the Tender to commit the Tenderer, in accordance with ITT19.3;

f) Qualifications: documentary evidence in accordance with ITT 16.2 establishing the Tenderer qualifications to perform the Contract if its Tender is accepted;

g) Tenderer Eligibility: documentary evidence in accordance with ITT16.1 establishing the Tenderer eligibility to tender;

h) Eligibility of Goods and Related Services: documentary evidence in accordance with ITT 15, establishing the eligibility of the Goods and Related Services to be supplied by the Tenderer;

i) Conformity: documentary evidence in accordance with ITT15.2 that the Goods and Related Services conform to the tender document; and

j) any other document required in the TDS.

10.2 In addition to the requirements under ITT 10.1, Tenders submitted by a JV shall include a copy of the Joint Venture Agreement entered into by all members. Alternatively, a letter of intent to execute a Joint Venture Agreement in the event of a successful Tender shall be signed by all members and submitted with the Tender, together with a copy of the proposed Agreement.

10.3 The Tenderer shall furnish in the Form of Tender information on commissions gratuities, and fees, if any, paid or to be paid to agents or any other party relating to this Tender.

11. Form of Tender and Price Schedules

11.1 The Form of Tender and Price Schedules shall be prepared using the relevant forms furnished in Section IV, Tendering Forms. The forms must be completed without any alterations to the text. All blank spaces shall be filled in with the information requested. The Tenderer shall chronologically serialise pages of all tender documents submitted.

12. Alternative Tenders

12.1 Unless otherwise specified **in the TDS,** alternative Tenders shall not be considered.

13. Tender Prices and discounts

13.1 The prices quoted by the Tenderer in the Form of Tender and in the Price, Schedules shall conform to the requirements specified below.

13.2 All lots (contracts) and items must be listed and priced separately in the Price Schedules.

13.3 The price to be quoted in the Form of Tender in accordance with ITT10.1 shall be the total price of the Tender, including any discounts offered.

13.4 The Tenderer shall quote any discounts and indicate the methodology for their application in the form of tender. Conditional discounts will be rejected.

13.5 Prices quoted by the Tenderer shall be fixed during the performance of the Contract and not subject to variation on any account, unless otherwise specified **in the TDS.** A Tender submitted with an adjustable price quotation shall be treated as non-responsive and shall be rejected, pursuant to ITT 28. However, if in accordance with **the TDS**, prices quoted by the Tenderer shall be subject to adjustment during the performance of the Contract, a Tender submitted with a fixed price quotation shall not be rejected, but the price adjustment shall be treated as zero.

13.6 If specified in ITT 1.1, Tenders are being invited for individual lots (contracts) or for any combination of lots (packages). Unless otherwise specified **in the TDS,** prices quoted shall correspond to 100 % of the items specified for each lot and to 100% of the quantities specified for each item of a lot. Tenderers wishing to offer.

discounts for the award of more than one Contract shall specify in their Tender the price reductions applicable to each package, or alternatively, to individual Contracts within the package. Discounts shall be submitted in accordance with ITT 13.4 provided the Tenders for all lots (contracts) are opened at the same time.

13.7 The terms EXW, CIP, CIF, DDP and other similar terms shall be governed by the rules prescribed in the current edition of Incoterms, published by the International Chamber of Commerce.

13.8 Prices shall be quoted as specified in each Price Schedule included in Section IV, Tendering Forms. The disaggregation of price components is required solely for the purpose of facilitating the comparison of Tenders by the Procuring Entity. This shall not in any way limit the Procuring Entity's right to contract on any of the terms offered. In quoting prices, the Tenderer shall be free to use transportation through carriers registered in any eligible country. Similarly, the Tenderer may obtain insurance services from any eligible country in accordance with ITT 3.6, Eligible Tenders. Prices shall be entered in the following manner:

a) For Goods manufactured in Kenya:

I) the price of the Goods quoted EXW (ex-works, ex-factory, ex warehouse, ex showroom, or off-the- shelf, as applicable) final destination point indicated in the **TDS**, including all customs duties and sales and other taxes already paid or payable on the components and raw material used in the manufacture or assembly of the Goods;

ii) any sales tax and other taxes which will be payable in Kenya on the Goods if the Contract is awarded to the Tenderer; and

iii) the price for inland transportation, insurance, and other local services required to convey the Goods to their final destination specified **in the TDS.**

b) For Goods manufactured outside Kenya, to be imported:

i) the price of the Goods, quoted CIP named place of destination, in Kenya, as specified **in the TDS;**

ii) the price for inland transportation, insurance, and other local services required to convey the Goods from the named place of destination to their final destination specified **in the TDS;**

c) For Goods manufactured outside Kenya, already imported:

i) the price of the Goods, including the original import value of the Goods; plus, any mark-up (or rebate); plus, any other related local cost, and custom duties and other import taxes already paid or to be paid on the Goods already imported;

ii) the custom duties and other import taxes already paid (need to be supported with documentary evidence) or to be paid on the Goods already imported;

iii) any sales and other taxes levied in Kenya which will be payable on the Goods if the Contract is awarded to the Tenderer; and

iv) the price for inland transportation, insurance, and other local services required to convey the Goods from the named place of destination to their final destination (Project Site) specified **in the TDS.**

d) for Related Services, other than inland transportation and other services required to convey the Goods to their final destination, whenever such Related Services are specified in the Schedule of Requirements, the price of each item comprising the Related Services (inclusive of any applicable taxes).

14. Currencies of Tender and Payment

14.1 The currency (ies) of the Tender, the currency (ies) of award and the currency (ies) of contract payments shall be the same**.**

14.2 The Tenderer shall quote in Kenya shillings. If allowed in the **TDS**, the Tenderer may express the Tender price in any currency, provided it shall use no more than two foreign currencies in addition to the Kenya Shilling.

14.3 The rates of exchange to be used by the Tenderer shall be based on the exchange rates provided by the Central Bank of Kenya on the date 30 days prior to the actual date of tender opening.

15. Documents Establishing the Eligibility and Conformity of the Goods and Related Services

15.1 To establish the eligibility of the Goods and Related Services in accordance with ITT 15, Tenderers shall complete the country-of-origin declarations in the Price Schedule Forms, included in Section IV, Tendering Forms.

15.2 To establish the conformity of the Goods and Related Services to the tendering document, the Tenderer shall furnish as part of its Tender the documentary evidence that the Goods conform to the technical specifications and standards specified in Section VII, Schedule of Requirements.

15.3 The documentary evidence may be in the form of literature, drawings or data, and shall consist of a detailed item by item description of the essential technical and performance characteristics of the Goods and Related Services, demonstrating substantial responsiveness of the Goods and Related Services to the technical specification, and if applicable, a

statement of deviations and exceptions to the provisions of the Section VII, Schedule of Requirements.

15.4 The Tenderer shall also furnish a list giving full particulars, including available sources and current prices of spare parts, special tools, etc., necessary for the proper and continuing functioning of the Goods during the period **specified in the TDS** following commencement of the use of the goods by the Procuring Entity.

15.5 Standards for workmanship, process, material, and equipment, as well as references to brand names or catalogue numbers specified by the Procuring Entity in the Schedule of Requirements, are intended to be descriptive only and not restrictive. The Tenderer may offer other standards of quality, brand names, and/or catalogue numbers, provided that it demonstrates, to the Procuring Entity's satisfaction, that the substitutions ensure substantial equivalence or are superior to those specified in the Section VII, Schedule of Requirements.

16. Documents Establishing the Eligibility and Qualifications of the Tenderer

16.1 To establish Tenderer eligibility in accordance with ITT 4, Tenderers shall complete the Form of Tender, included in Section IV, Tendering Forms.

16.2 The documentary evidence of the Tenderer qualifications to perform the Contract if its Tender is accepted shall establish to the Procuring Entity's satisfaction:

a) that, if required **in the TDS**, a Tenderer that does not manufacture or produce the Goods it offers to supply shall submit the Manufacturer's Authorization using the form included in Section IV, Tendering Forms to demonstrate that it has been duly authorized by the manufacturer or producer of the Goods to supply these Goods in Kenya;

b) that, if required **in the TDS**, in case of a Tenderer not doing business within Kenya, the Tenderer is or will be (if awarded the Contract) represented by an Agent in the country equipped and able to carry out the Supplier's maintenance, repair and spare parts-stocking obligations prescribed in the Conditions of Contract and/or Technical Specifications; and

c) that the Tenderer meets each of the qualification criterion specified in Section III, Evaluation and Qualification Criteria.

17. Period of Validity of Tenders

17.1 Tenders shall remain valid for the Tender Validity period specified **in the TDS**. The Tender Validity period starts from the date fixed for the Tender submission deadline (as prescribed by the Procuring Entity in accordance with ITT 21.1). A Tender valid for a shorter period shall be rejected by the Procuring Entity as non-responsive.

17.2 In exceptional circumstances, prior to the expiration of the Tender validity period, the Procuring Entity may request Tenderers to extend the period of validity of their Tenders. The request and the responses shall be made in writing. If a Tender Security is requested in accordance with ITT 18, it shall also be extended for a corresponding period. A Tenderer may refuse the request without forfeiting its Tender Security. A Tenderer granting the request shall not be required or permitted to modify its Tender, except as provided in ITT 17.3.

17.3 If the award is delayed by a period exceeding the number of days to be specified in the **TDS** days beyond the expiry of the initial tender validity period, the Contract price shall be determined as follows:

a) in the case of **fixed price** contracts, the Contract price shall be the tender price

adjusted by the factor specified **in the TDS**;

b) in the case of **adjustable price** contracts, no adjustment shall be made; or in any case, tender evaluation shall be based on the tender price without taking into consideration the applicable correction from those indicated above.

18. Tender Security

18.1 The Tenderer shall furnish as part of its Tender, either a Tender-Securing Declaration or a Tender Security, as specified **in the TDS,** in original form and, in the case of a Tender Security**,** in the amount and currency specified **in the TDS.**

18.2 A Tender Securing Declaration shall use the form included in Section IV, Tendering Forms.

18.3 If a Tender Security is specified pursuant to ITT 18.1, the Tender Security shall be a demand guarantee in any of the following forms at the Tenderer option:

i) cash;

ii) a bank guarantee;

iii) a guarantee by an insurance company registered and licensed by the Insurance Regulatory Authority listed by the Authority; or

iv) a letter of credit; or

v) guarantee by a deposit taking micro-finance institution, Sacco society, the Youth Enterprise Development Fund, or the Women Enterprise Fund.

18.4 If an unconditional guarantee is issued by a non-Bank financial institution located outside Kenya, the issuing non-Bank financial institution shall have a correspondent financial institution located in Kenya to make it enforceable unless the Procuring Entity has agreed in writing, prior to Tender submission, that a correspondent financial institution is not required. In the case of a bank guarantee, the Tender Security shall be submitted either using the Tender Security Form included in Section IV, Tendering Forms, or in another substantially similar format approved by the Procuring Entity prior to Tender submission. The Tender Security shall be valid for thirty (30) days beyond the original validity period of the Tender, or beyond any period of extension if requested under ITT 17.2.

18.5 If a Tender Security is specified pursuant to ITT 18.1, any Tender not accompanied by a substantially responsive Tender Security shall be rejected by the Procuring Entity as non-responsive.

18.6 If a Tender Security is specified pursuant to ITT 18.1, the Tender Security of unsuccessful Tenderers shall be returned as promptly as possible upon the successful Tenderer signing the Contract and furnishing the Performance Security pursuant to ITT 46. The Procuring Entity shall also promptly return the tender security to the tenderers where the procurement proceedings are terminated, all tenders were determined non-responsive or a bidder declines to extend tender validity period.

18.7 The Tender Security of the successful Tenderer shall be returned as promptly as possible once the successful Tenderer has signed the Contract and furnished the required Performance Security.

18.8 The Tender Security may be forfeited, or the Tender Securing Declaration executed:

a) if a Tenderer withdraws its Tender during the period of Tender validity specified by the Tenderer in the Form of Tender, or any extension thereto provided by the Tenderer; or

b) if the successful Tenderer fails to:

i) sign the Contract in accordance with ITT 45; or

ii) furnish a Performance Security in accordance with ITT 46.

18.9 Where tender securing declaration is executed, the Procuring Entity shall recommend to the PPRA that PPRA debars the Tenderer from participating in public procurement as provided in the law.

18.10 The Tender Security or Tender- Securing Declaration of a JV must be in the name of the JV that submits the Tender. If the JV has not been legally constituted into a legally enforceable JV at the time of Tendering, the Tender Security or Tender-Securing Declaration shall be in the names of all future members as named in the letter of intent referred to in ITT3.1 and ITT 10.2.

18.11 A tenderer shall not issue a tender security to guarantee itself.

19. Format and Signing of Tender

19.1 The Tenderer shall prepare one original of the documents comprising the Tender as described in ITT 11 and clearly mark it "**ORIGINAL**." Alternative Tenders, if permitted in accordance with ITT 12, shall be clearly marked "**ALTERNATIVE**." In addition, the Tenderer shall submit copies of the Tender, in the number **specified in the TDS** and clearly mark them "COPY." In the event of any discrepancy between the original and the copies, the original shall prevail.

19.2 Tenderers shall mark as "CONFIDENTIAL" information in their Tenders which is confidential to their business. This may include proprietary information, trade secrets, or commercial or financially sensitive information.

19.3 The original and all copies of the Tender shall be typed or written in indelible ink and shall be signed by a person duly authorized to sign on behalf of the Tenderer. This authorization shall consist of a written confirmation **as specified in the TDS** and shall be attached to the Tender. The name and position held by each person signing the authorization must be typed or printed below the signature. All pages of the Tender where entries or amendments have been made shall be signed or initialled by the person signing the Tender.

19.4 In case the Tenderer is a JV, the Tender shall be signed by an authorized representative of the JV on behalf of the JV, and so as to be legally binding on all the members as evidenced by a power of attorney signed by each member's legally authorized representatives.

19.5 Any inter-lineation, erasures, or overwriting shall be valid only if they are signed or initialled by the person signing the Tender.

D. Submission and Opening of Tenders

20 Sealing and Marking of Tenders

20.1 Depending on the sizes or quantities or weight of the tender documents, a tenderer may use an envelope, package or container. The Tenderer shall deliver the Tender in a single sealed envelope, or in a single sealed package, or in a single sealed container bearing the name and Reference number of the Tender, addressed to the Procuring Entity and a warning not to open before the time and date for Tender opening date. Within the single envelope, package or container, the Tenderer shall place the following separate, sealed envelopes:

a) in an envelope or package or container marked "ORIGINAL", all documents comprising the Tender, as described in ITT 11; and

b) in an envelope or package or container marked "COPIES", all required copies of the Tender; and

c) if alternative Tenders are permitted in accordance with ITT 12, and if relevant:

i) in an envelope or package or container marked "ORIGINAL –ALTERNATIVE TENDER", the alternative Tender; and

ii) in the envelope or package or container marked "COPIES- ALTERNATIVE TENDER", all required copies of the alternative Tender.

20.2 The inner envelopes or packages or containers shall:

a) bear the name and address of the Procuring Entity.

b) bear the name and address of the Tenderer; and

c) bear the name and Reference number of the Tender.

20.3 Where a tender package or container cannot fit in the tender box, the procuring entity shall:

a) Specify in the TDS where such documents should be received.

b) maintain a record of tenders received and issue acknowledgement receipt note to each tenderer specifying time and date of receipt.

c) Ensure all tenders received are handed over to the tender opening committee for opening at the specified opening place and time.

20.4 If an envelope or package or container is not sealed and marked as required, the *Procuring Entity* will assume no responsibility for the misplacement or premature opening of the Tender. Tenders misplaced or opened prematurely will not be accepted.

21. Deadline for Submission of Tenders

21.1 Tenders must be received by the Procuring Entity at the address and no later than the date and time specified **in the TDS.** When so specified **in the TDS**, Tenderers shall have the option of submitting their Tenders electronically. Tenderers submitting Tenders electronically shall follow the electronic Tender submission procedures **specified in the TDS**.

21.2 The Procuring Entity may, at its discretion, extend the deadline for the submission of Tenders by amending the tendering document in accordance with ITT7, in which case all rights and obligations of the Procuring Entity and Tenderers previously subject to the deadline shall thereafter be subject to the deadline as extended.

22. Late Tenders

22.1 The Procuring Entity shall not consider any Tender that arrives after the deadline for submission of Tenders. Any Tender received by the Procuring Entity after the deadline for submission of Tenders shall be declared late, rejected, and returned unopened to the Tenderer.

23. Withdrawal, Substitution, and Modification of Tenders

23.1 A Tenderer may withdraw, substitute, or modify its Tender after it has been submitted by sending a written notice, duly signed by an authorized representative, and shall include a copy of the authorization (the power of attorney) in accordance with ITT19.3, (except that withdrawal notices do not require copies). The corresponding substitution or modification of the Tender must accompany the respective written notice. All notices must be:

a) prepared and submitted in accordance with ITT 20 and 21 (except that withdrawal

notices do not require copies), and in addition, the respective envelopes shall be clearly marked "WITHDRAWAL,"

"SUBSTITUTION," or "MODIFICATION;" and

b) received by the Procuring Entity prior to the deadline prescribed for submission of Tenders, in accordance with ITT 22.

23.3 Tenders requested to be withdrawn in accordance with ITT 23.1 shall be returned unopened to the Tenderers.

23.4 No Tender may be withdrawn, substituted, or modified in the interval between the deadline for submission of Tenders and the expiration of the period of Tender validity specified by the Tenderer on the Form of Tender or any extension thereof.

24. Tender Opening

24.1 Except as in the cases specified in ITT 23, the Procuring Entity shall, at the Tender opening, publicly open and read out all Tenders received by the deadline at the date, time and place specified **in the TDS** in the presence of Tenderers' designated representatives who choose to attend, including to attend any specific electronic tender opening procedures if electronic tendering is permitted in accordance with ITT 21.1, shall be as specified **in the TDS.**

24.2 First, envelopes marked "WITHDRAWAL" shall be opened and read out and the envelope with the corresponding Tender shall not be opened but returned to the Tenderer. If the withdrawal envelope does not contain a copy of the "power of attorney" confirming the signature as a person duly authorized to sign on behalf of the Tenderer, the corresponding Tender will be opened. No Tender withdrawal shall be permitted unless the corresponding withdrawal notice contains a valid authorization to request the withdrawal and is read out at Tender opening.

24.3 Next, envelopes marked "SUBSTITUTION" shall be opened and read out and exchanged with the corresponding Tender being substituted, and the substituted Tender shall not be opened, but returned to the Tenderer. No Tender substitution shall be permitted unless the corresponding substitution notice contains a valid authorization to request the substitution and is read out at Tender opening.

24.4 Next, envelopes marked "MODIFICATION" shall be opened and read out with the corresponding Tender. No Tender modification shall be permitted unless the corresponding modification notice contains a valid authorization to request the modification and is read out at Tender opening.

24.5 Next, all remaining envelopes shall be opened one at a time, reading out: the name of the Tenderer and whether there is a modification; the total Tender Prices, per lot (contract) if applicable, including any discounts and alternative Tenders; the presence or absence of a Tender Security, if required; and any other details as the Procuring Entity may consider appropriate.

24.6 Only Tenders, alternative Tenders and discounts that are opened and read out at Tender opening shall be considered further for evaluation. The Form of Tender and pages of the Bills of Quantities are to be initialled by the members of the tender opening committee attending the opening. The number of representatives of the Procuring Entity to sign shall be specified in the **TDS.**

24.7 The Procuring Entity shall neither discuss the merits of any Tender nor reject any Tender (except for late Tenders, in accordance with ITT 22.1).

24.8 The Procuring Entity shall prepare a record of the Tender opening that shall include, as a minimum:

a) the name of the Tenderer and whether there is a withdrawal, substitution, or modification;

b) the Tender Price, per lot (contract) if applicable, including any discounts;

c) any alternative Tenders;

d) the presence or absence of a Tender Security or Tender-Securing Declaration, if one was required;

e) number of pages of each tender document submitted.

24.9 The Tenderers' representatives who are present shall be requested to sign the record. The omission of a Tenderer signature on the record shall not invalidate the contents and effect of the record. A copy of the tender opening register shall be issued to a Tenderer upon request.

E. Evaluation and Comparison of Tenders

25. Confidentiality

25.1 Information relating to the evaluation of Tenders and recommendation of contract award, shall not be disclosed to Tenderers or any other persons not officially concerned with the tendering process until the information on Intention to Award the Contract is transmitted to all Tenderers in accordance with ITT 41.

25.2 Any effort by a Tenderer to influence the Procuring Entity in the evaluation or contract award decisions may result in the rejection of its Tender.

25.3 Notwithstanding ITT 25.2, from the time of Tender opening to the time of Contract Award, if any Tenderer wishes to contact the Procuring Entity on any matter related to the Tendering process, it should do so in writing.

26. Clarification of Tenders

26.1 To assist in the examination, evaluation, comparison of the Tenders, and qualification of the Tenderers, the Procuring Entity may, at its discretion, ask any Tenderer for a clarification of its Tender. Any clarification submitted by a Tenderer in respect to its Tender and that is not in response to a request by the Procuring Entity shall not be considered. The Procuring Entity's request for clarification and the response shall be in writing. No change, including any voluntary increase or decrease, in the prices or substance of the Tender shall be sought, offered, or permitted except to confirm the correction of arithmetic errors discovered by the Procuring Entity in the Evaluation of the Tenders, in accordance with ITT 30.

If a Tenderer does not provide clarifications of its Tender by the date and time set in the Procuring Entity's request for clarification, its Tender may be rejected.

27. Deviations, Reservations, and Omissions

27.1 During the evaluation of Tenders, the following definitions apply:

a) "Deviation" is a departure from the requirements specified in the Tendering document;

b) "Reservation" is the setting of limiting conditions or withholding from complete acceptance of the requirements specified in the tendering document; and

c) "Omission" is the failure to submit part or all of the information or documentation required in the tendering document.

28. Determination of Responsiveness

28.1 The Procuring Entity's determination of a Tender's responsiveness is to be based on the contents of the Tender itself, as defined in ITT28.2.

28.2 A substantially responsive Tender is one that meets the requirements of the tendering document without material deviation, reservation, or omission. A material deviation, reservation, or omission is one that:

a) if accepted, would:

i) affect in any substantial way the scope, quality, or performance of the Goods and Related Services specified in the Contract; or

ii) limit in any substantial way, inconsistent with the tendering document, the Procuring Entity's rights or the Tenderer obligations under the Contract; or

b) if rectified, would unfairly affect the competitive position of other Tenderers presenting substantially responsive Tenders.

28.3 The Procuring Entity shall examine the technical aspects of the Tender submitted in accordance with ITT 15 and ITT 16, in particular, to confirm that all requirements of Section VII, Schedule of Requirements have been met without any material deviation or reservation, or omission.

28.4 If a Tender is not substantially responsive to the requirements of tendering document, it shall be rejected by the Procuring Entity and may not subsequently be made responsive by correction of the material deviation, reservation, or omission.

29. Non-conformities, Errors and Omissions

29.1 Provided that a Tender is substantially responsive, the Procuring Entity may waive any non-conformities in the Tender.

29.2 Provided that a Tender is substantially responsive, the Procuring Entity may request that the Tenderer submit the necessary information or documentation, within a reasonable period of time, to rectify nonmaterial non- conformities or omissions in the Tender related to documentation requirements. Such omission shall not be related to any aspect of the price of the Tender. Failure of the Tenderer to comply with the request may result in the rejection of its Tender.

29.3 Provided that a Tender is substantially responsive, the Procuring Entity shall rectify quantifiable nonmaterial non-conformities related to the Tender Price. To this effect, the Tender Price shall be adjusted, for comparison purposes only, to reflect the price of a missing or non-conforming item or component in the manner specified **in the TDS**. The adjustment shall be based on the ***average*** price of the item or component as quoted in other substantially responsive Tenders. If the price of the item or component cannot be derived from the price of other substantially responsive Tenders, the Procuring Entity shall use its best estimate.

30. Arithmetical Errors

30.1 The tender sum as submitted and read out during the tender opening shall be absolute and final and shall not be the subject of correction, adjustment, or amendment in any way by any person or entity.

30.2 Provided that the Tender is substantially responsive, the Procuring Entity shall handle errors on the following basis:

a) Any error detected if considered a major deviation that affects the substance of the tender, shall lead to disqualification of the tender as non-responsive .

b) Any errors in the submitted tender arising from a miscalculation of unit price, quantity, subtotal and total bid price shall be considered as a major deviation that affects the substance of the tender and shall lead to disqualification of the tender as non-responsive. and

c) if there is a discrepancy between words and figures, the amount in words shall prevail.

30.3 Tenderers shall be notified of any error detected in their bid during the notification of a ward.

31. Conversion to Single Currency

31.1 For evaluation and comparison purposes, the currency(ies) of the Tender shall be converted in a single currency as specified **in the TDS.**

32. Margin of Preference and Reservations

32.1 A margin of preference may be allowed on locally manufactured goods only when the contract is open to international tendering, where the tender is likely to attract foreign goods and where the contract exceeds the threshold specified in the Regulations.

32.2 For purposes of granting a margin of preference on locally manufactured goods under international competitive tendering, a procuring entity shall not subject the items listed below to international tender and hence no margin of preference shall be allowed. The affected items are:

a) motor vehicles, plant and equipment which are assembled in Kenya;

b) furniture, textile, foodstuffs, oil and gas, information communication technology, steel, cement, leather agro-processing, sanitary products, and other goods made in Kenya; or

c) goods manufactured, mined, extracted or grown in Kenya.

32.3 A margin of preference shall not be allowed unless it is specified so in the **TDS**.

32.4 Contracts procured on basis of international competitive tendering shall not be subject to reservations to specific groups s as provided in ITT 32.5.

32.5 Where it is intended to reserve a contract to a specific group of businesses (these groups are Small and Medium Enterprises, Women Enterprises, Youth Enterprises and Enterprises of persons living with disability, as the case may be), and who are appropriately registered as such by the authority to be specified in the **TDS**, a procuring entity shall ensure that the invitation to tender specifically indicates that only businesses or firms belonging to the specified group are eligible to tender as specified in the **TDS**. No tender shall be reserved to more than one group. If not so stated in the Tender documents, the invitation to tender will be open to all interested tenderers.

33. Evaluation of Tenders

33.1 The Procuring Entity shall use the criteria and methodologies listed in this ITT and Section III, Evaluation and Qualification criteria. No other evaluation criteria or methodologies shall be permitted. By applying the criteria and

methodologies, the Procuring Entity shall determine the Lowest Evaluated Tender. This is the Tender of the Tenderer that meets the qualification criteria and whose Tender has been determined to be:

a) substantially responsive to the tender documents; and

b) the lowest evaluated price.

33.2 Price evaluation will be done for Items or Lots (contracts), as specified **in the TDS;** and the Tender Price as quoted in accordance with ITT 14. To evaluate a Tender, the Procuring Entity shall consider the following:

a) price adjustment due to unconditional discounts offered in accordance with ITT 13.4;

b) converting the amount resulting from applying (a) and (b) above, if relevant, to a single currency in accordance with ITT 31;

c) price adjustment due to quantifiable nonmaterial non-conformities in accordance with ITT 29.3; and

d) any additional evaluation factors specified **in the TDS** and Section III, Evaluation and Qualification Criteria.

33.3 The estimated effect of the price adjustment provisions of the Conditions of Contract, applied over the period of execution of the Contract, shall not be considered in Tender evaluation.

33.4 Where the tender involves multiple lots or contracts, the tenderer will be allowed to tender for one or more lots (contracts). Each lot or contract will be evaluated in accordance with ITT 33.2. The methodology to determine the lowest evaluated tenderer or tenderers based one lot (contract) or based on a combination of lots (contracts), will be specified in Section III, Evaluation and Qualification Criteria. In the case of multiple lots or contracts, tenderer will be will be required to prepare the Eligibility and Qualification Criteria Form for each Lot.

33.5 The Procuring Entity's evaluation of a Tender will include and consider:

a) in the case of Goods manufactured in Kenya, sales and other similar taxes, which will be payable on the goods if a contract is awarded to the Tenderer;

b) in the case of Goods manufactured outside Kenya, already imported or to be imported, customs duties and other import taxes levied on the imported Good, sales and other similar taxes, which will be payable on the Goods if the contract is awarded to the Tenderer;

33.6 The Procuring Entity's evaluation of a Tender may require the consideration of other factors, in addition to the Tender Price quoted in accordance with ITT 14. These factors may be related to the characteristics, performance, and terms and conditions of purchase of the Goods and Related Services. The effect of the factors selected, if any, shall be expressed in monetary terms to facilitate comparison of Tenders, unless otherwise specified in the **TDS** from amongst those set out in Section III, Evaluation and Qualification Criteria. The additional criteria and methodologies to be used shall be as specified in ITT 33.2(d).

34. Comparison of Tenders

34.1 The Procuring Entity shall compare the evaluated costs of all substantially responsive Tenders established in accordance with ITT 33.2 to determine the Tender that has the lowest evaluated cost. The comparison shall be on the basis of total cost (place of final destination) prices for all goods and all prices, plus cost of inland transportation and insurance to place of destination, for goods manufactured within Kenya, together with prices for any required installation, training, commissioning and other services.

35. Abnormally Low Tenders

35.1 An Abnormally Low Tender is one where the Tender price, in combination with other constituent elements of the Tender, appears unreasonably low to the extent that the Tender price raises material concerns with the Procuring Entity as to the capability of the Tenderer to perform the Contract for the offered Tender price.

35.2 In the event of identification of a potentially Abnormally Low Tender by the evaluation committee, the Procuring Entity shall seek written clarification from the Tenderer, including a detailed price analyses of its Tender price in relation to the subject matter of the contract, scope, delivery schedule, allocation of risks and responsibilities and any other requirements of the tendering document.

35.3 After evaluation of the price analysis, in the event that the Procuring Entity determines that the Tenderer has failed to demonstrate its capability to perform the contract for the offered Tender price, the Procuring Entity shall reject the Tender.

36. Abnormally High Tenders

36.4 An abnormally high price is one where the tender price, in combination with other constituent elements of the Tender, appears unreasonably too high to the extent that the Procuring Entity is concerned that it (the Procuring Entity) may not be getting value for money or it may be paying too high a price for the contract compared with market prices or that genuine competition between Tenderers is compromised.

36.5 In case of an abnormally high tender price, the Procuring Entity shall make a survey of the market prices, check if the estimated cost of the contract is correct and review the Tender Documents to check if the specifications, scope of work and conditions of contract are contributory to the abnormally high tenders. The Procuring Entity may also seek written clarification from the tenderer on the reason for the high tender price. The Procuring Entity shall proceed as follows:

i) If the tender price is abnormally high based on wrong estimated cost of the contract, the Procuring Entity may accept or not accept the tender depending on the Procuring Entity's budget considerations.

ii) If specifications, scope of work and/or conditions of contract are contributory to the abnormally high tender prices, the Procuring Entity shall reject all tenders and may retender for the contract based on revised estimates, specifications, scope of work and conditions of contract, as the case may be.

36.6 If the Procuring Entity determines that the Tender Price is abnormally too high because genuine competition between tenderers is compromised (*often due to collusion, corruption or other manipulations*), the Procuring Entity shall reject all Tenders and shall institute or cause relevant Government Agencies to institute an investigation on the cause of the compromise, before retendering.

37. Post-Qualification of the Tenderer

37.1 The Procuring Entity shall determine, to its satisfaction, whether the eligible Tenderer that is selected as having submitted the lowest evaluated cost and substantially responsive Tender, meets the qualifying criteria specified in Section III, Evaluation and Qualification Criteria.

37.2 The determination shall be based upon an examination of the documentary evidence of the Tenderer qualifications submitted by the Tenderer, pursuant to ITT 15 and 16. The determination shall not take into consideration the qualifications of other firms such as the Tenderer subsidiaries, parent entities, affiliates, subcontractors (other than specialized subcontractors if permitted in the tendering document), or any other firm(s) different from the Tenderer.

37.3 An affirmative determination shall be a prerequisite for award of the Contract to the Tenderer. A negative determination shall result in disqualification of the Tender, in which event the Procuring Entity shall proceed to the Tenderer who offers a substantially responsive Tender with the next lowest evaluated cost to make a similar determination of that Tenderer qualifications to perform satisfactorily.

38. Lowest Evaluated Tender

38.1 Having compared the evaluated prices of Tenders, the Procuring Entity shall determine the Lowest Evaluated Tender. The Lowest Evaluated Tender is the Tender of the Tenderer that

meets the Qualification Criteria and whose Tender has been determined to be:

a) most responsive to the Tender document; and

b) the lowest evaluated price.

39. Procuring Entity's Right to Accept any Tender, and to Reject Any or All Tenders.

39.1 The Procuring Entity reserves the right to accept or reject any Tender, and to annul the Tendering process and reject all Tenders at any time prior to notification Award, without thereby incurring any liability to Tenderers. In case of annulment, all Tenderers shall be notified with reasons and all Tenders submitted and specifically, tender securities, shall be promptly returned to the Tenderers.

F. Award of Contract

40. Award Criteria

The Procuring Entity shall award the Contract to the successful tenderer whose tender has been determined to be the Lowest Evaluated Tender in accordance with procedures in Section 3: Evaluation and Qualification Criteria.

41. Notice of Intention to enter into a Contract

Upon award of the contract and prior to the expiry of the Tender Validity Period the Procuring Entity shall issue a

Notification of Intention to Enter into a Contract / Notification of award to all tenderers which shall contain, at a minimum, the following information:

a) the name and address of the Tenderer submitting the successful tender;

b) the Contract price of the successful tender;

c) a statement of the reason(s) the tender of the unsuccessful tenderer to whom the letter is addressed was unsuccessful, unless the price information in (c) above already reveals the reason;

d) the expiry date of the Standstill Period; and

e) instructions on how to request a debriefing and/or submit a complaint during the standstill period;

42. Standstill Period

42.1 The Contract shall not be awarded earlier than the expiry of a Standstill Period of 14 days to allow any dissatisfied candidate to launch a complaint. Where only one Tender is submitted, the Standstill Period shall not apply.

42.2 Where standstill period applies, it shall commence when the Procuring Entity has transmitted to each Tenderer the Notification of Intention to Enter into a Contract to the successful Tenderer.

43. Debriefing by the Procuring Entity

43.1 On receipt of the Procuring Entity's Notification of Intention to Enter into a Contract referred

to in ITT 41, an unsuccessful tenderer may make a written request to the Procuring Entity for a debriefing on specific issues or concerns regarding their tender. The Procuring Entity shall provide the debriefing within five days of receipt of the request.

43.2 Debriefings of unsuccessful Tenderers may be done in writing or verbally. The Tenderer shall bear its own costs of attending such a debriefing meeting.

44. Letter of Award

Prior to the expiry of the Tender Validity Period and upon expiry of the Standstill Period specified in ITT 42, upon addressing a complaint that has been filed within the Standstill Period, the Procuring Entity shall transmit the Letter of Award to the successful Tenderer. The letter of award shall request the successful tenderer to furnish the Performance Security within 21days of the date of the letter.

45. Signing of Contract

45.1 Upon the expiry of the fourteen days of the Notification of Intention to enter into contract and upon the parties meeting their respective statutory requirements, the Procuring Entity shall send the successful Tenderer the Contract Agreement.

45.2 Within fourteen (14) days of receipt of the Contract Agreement, the successful Tenderer shall sign, date, and return it to the Procuring Entity.

45.3 The written contract shall be entered into within the period specified in the notification of award and before expiry of the tender validity period.

46. Performance Security

46.1 Within twenty-one (21) days of the receipt of Letter of Acceptance from the Procuring Entity, the successful Tenderer, if required, shall furnish the Performance Security in accordance with the GCC 18, using for that purpose the Performance Security Form included in Section X, Contract Forms. If the Performance Security furnished by the successful Tenderer is in the form of a bond, it shall be issued by a bonding or insurance company that has been determined by the successful Tenderer to be acceptable to the Procuring Entity. A foreign institution providing a bond shall have a correspondent financial institution located in Kenya, unless the Procuring Entity has agreed in writing that a correspondent financial institution is not required.

46.2 Failure of the successful Tenderer to submit the above-mentioned Performance Security or sign the Contract shall constitute sufficient grounds for the annulment of the award and forfeiture of the Tender Security. In that event the Procuring Entity may award the Contract to the Tenderer offering the next lowest Evaluated Tender.

46.3 Performance security shall not be required for a contract, if so specified in the **TDS**.

47. Publication of Procurement Contract

Within fourteen days after signing the contract, the Procuring Entity shall publish and publicize the awarded contract at its notice boards, entity website; and on the Website of the Authority in manner and format prescribed by the Authority. At the minimum, the notice shall

contain the following information:

a) name and address of the Procuring Entity;

b) name and reference number of the contract being awarded, a summary of its scope and the selection method used;

c) the name of the successful Tenderer, the final total contract price, the contract duration.

d) dates of signature, commencement and completion of contract;

e) names of all Tenderers that submitted Tenders, and their Tender prices as read out at Tender opening;

48. Procurement Related Complaint

The procedures for making a Procurement-related Complaint are as specified in the **TDS.**

SECTION II – TENDER DATA SHEET (TDS)

The following specific data shall complement, supplement, or amend the provisions in the Instructions to Tenderers (ITT). Whenever there is a conflict, the provisions herein shall prevail over those in ITT.

ITT Reference	A. General
ITT 1.1	The reference number of the Invitation for Tenders is: ***KRC/2026/2897/422*** The Procuring Entity is: ***KENYA REINSURANCE CORPORATION LTD*** The name of the Contract is: **SUPPLY, DELIVERY, INSTALLATION, CONFIGURATION, TESTING, COMMISSIONING AND SUPPORT OF A UNIFIED IP TELEPHONY / UNIFIED COMMUNICATIONS SOLUTION** **.** The number and identification of lots (contracts) comprising this Invitation for Tenders is: ~~**[*N/A***~~
ITT 2.3	The Information made available on competing firms is as follows: N/A
ITT 2.4	The firms that provided consulting services for the contract being tendered for are: N/A
ITT 3.1	Maximum number of members in the Joint Venture (JV) shall be: **N/A**
ITT 3.7	A list of debarred firms and individuals is available on the PPRA's website: www.ppra.go.ke
ITT 3.11	Tenderers shall be required to be to be registered with - Information Communication Technology Authority and Communication Authority of Kenya.
	B. Contents of Tendering Document
ITT 6.1,6.3	***(a)*** Address where to send enquiries/clarifications/questions is: ***KENYA REINSURANCE CORPORATION LTD, P.O.BOX 30271-00100, TEL: +254 703 083 000, NAIROBI, KENYA,*** ***E-mail: procurement@kenyare.co.ke,*** to reach the Kenya Re not later than 3rd **NOVEMBER2026 at 10:00 Hrs** (b) The Kenya Re shall forward the response to all the individual tenderers
ITT 6.2	***SITE VISITS:*** **SITE VISITS TO BE CONDUCTED ON 27th OCTOBER 2026 at 10:00am FOR NAIROBI'S: REINSURANCE PLAZA – 0900Hrs.** ***NOTE:*** **PRINT THE SITE VISIT FORM ATTACHED HERE IN PAGE 68 FOR SIGNING AND STAMPING**
	C. Preparation of Tenders
ITT 13.8 (a) (i) and (iii) (c)	Place of destination: ***KENYA REINSURANCE CORPORATION LTD*** ***Reinsurance Plaza, along Aga Khan Walk & Taifa Road***
ITT 13.8 (b) (i)	Named place of destination, in Kenya is ***NAIROBI***
13.8 (c) (iv)	The place of destination (Project Site) is ***NAIROBI***
ITT 14.2	Foreign currency requirements **/not allowed.**

ITT 15.4	Period the Goods are expected to be functioning (for the purpose of spare parts): ***to be specified in contract***
ITT 16.2 (a)	Manufacturer's authorization is: ***REQUIRED***

ITT 16.2(b)	After sales service is: ***REQUIRED***
ITT 17.1	The Tender validity period shall be ***120*** days.
ITT 17.3	(a) The Number of days beyond the expiry of the initial tender validity period will be 30 days.
ITT 18.1	*Tender Security"* ***KES. 180,000.00***
ITT 19.1	In addition to the original of the Tender, the number of copies is**: 2 *[one original and one copy]***
	D. Submission and Opening of Tenders
ITT 20.3	A tender package or container that cannot fit in the tender box shall be received and registered by the Supply Chain Office.
ITT 21.1	For **Tender submission purposes** only, Managing Director Kenya Reinsurance Corporation Ltd P.O. BOX 30271-00100 NAIROBI. Reinsurance Plaza, along Aga Khan Walk & Taifa Road, 16th floor. **The deadline for Tender submission is: 3rd NOVEMBER 2026 at 10:00 am**
ITT 24.1	The Tender opening shall take place at: 16th floor, Reinsurance Plaza, along Aga Khan Walk & Taifa Road Date: **3rd NOVEMBER 2026 at 10:00 am**
E. Evaluation and Comparison of Tenders	
ITT 31.1	Prices shall be quoted in **KES** Currency. Please use same currency throughout the document. **The prices quoted by the Tenderer Shall include all levies and taxes including Capacity Building levy of 0.03% as required by Legal Notice No. 206 on the Public Procurement Capacity Building Levy Order 2023.**
ITT 32.3	A margin of preference and/or reservation ***"shall not"*** apply
ITT 32.5	The invitation to tender is **Open**
ITT 33.2	**Price evaluation will be done for the completeness of the supply.** **The lowest Evaluated Bidders shall be awarded to supply all Items (Only one Bidder shall be awarded)**
	F. Award of Contract
ITT 46.3	Performance security: 10% of the tender sum.

ITT 47	The procedures for making a Procurement-related Complaint are detailed in the "Notice of Intention to Award the Contract" herein and are also available from the PPRA Website www.ppra.go.ke. If a Tenderer wishes to make a Procurement-related Complaint, the Tenderer should submit its complaint following these procedures, in writing through email to: For the attention: ***MANAGING DIRECTOR*** Title/position: ***MANAGING DIRECTOR*** Procuring Entity: ***KENYA REINSURANCE CORPORATION LTD*** Email address: ***procurement@kenyare.co.ke*** In summary, a Procurement-related Complaint may challenge any of the following: **1.** the terms of the Tendering Documents; and **2.** the Procuring Entity's decision to award the contract.

SECTION III - EVALUATION AND QUALIFICATION CRITERIA

1. General Provisions

1.1 Wherever a Tenderer is required to state a monetary amount, Tenderers should indicate the Kenya Shilling equivalent using the rate of exchange determined as follows:

a) For business turnover or financial data required for each year - Exchange rate prevailing on the last day of the respective calendar year (in which the amount for that year is to be converted) was originally established.

b) Value of single contract - Exchange rate prevailing on the date of the contract signature.

c) Exchange rates shall be taken from the publicly available source identified in **the ITT 14.3.** Any error in determining the exchange rates in the Tender may be corrected by the Procuring Entity.

1.2 This section contains the criteria that the Procuring Entity shall use to evaluate tender and qualify tenderers. No other factors, methods or criteria shall be used other than those specified in this tender document. The Tenderer shall provide all the information requested in the forms included in Section IV, Tendering Forms. The Procuring Entity should use the Standard Tender Evaluation Report for Goods and Works for evaluating Tenders.

2. Evaluation of Tenders (ITT 33)

2.1 Successful Tender or Tenders

The Procuring Entity shall use the criteria and methodologies listed in this Section to evaluate Tenders. By applying these criteria and methodologies, the Procuring Entity shall determine the successful Tender or Tenders which has/have been determined to:

a) be substantially responsive to the tender documents.

b) offer the lowest evaluated cost to the Procuring Entity for all items of Goods to be procured based on either a single Contract or all multiple Contracts combined, as the case may be, in accordance with the ITT 13.6 inviting Tender prices and discounts, and provisions made of the Tender Document for evaluation of tenders and award of contract

(s); and

c) be offered by Tenderer or Tenderers that substantially meet the qualification criteria applicable for Contract or combined Contracts for which they are selected.

2.2 Evaluation of Tenders

Preliminary examination for Determination of Responsiveness

The Procuring Entity will start by examining all tenders to ensure they meet in all respects the eligibility criteria and other mandatory requirements in the ITT, and that the tender is complete in all aspects in meeting the requirements provided for in the preliminary evaluation criteria outlined below. The Standard Tender Evaluation Report Document for Goods and Works for evaluating Tenders provides very clear guide on how to deal with review of these requirements. Tenders that do not pass the Preliminary Examination will be considered non-responsive and will not be considered further.

A. MANDATORY EVALUATION

The following documents are mandatory and should be submitted with the technical proposal. Failure to submit any of the documents below, will lead to automatic disqualification.

Table 1

Tenderers are required to submit copies of the following MANDATORY DOCUMENTS which will be used during Preliminary Examination to determine responsiveness:			
	Category	**Mandatory Requirements MUST ATTACH PROOF**	**Compliant (Yes/ No)**
1.	**COMPANY DOCUMENTATION**	Bidders should provide their Certificate of Incorporation.	
2.	**TAX COMPLIANCE**	Valid and Current Tax Compliance - Certificate from the Kenya Revenue Authority (KRA).	
3.	**MANUFACTURER AUTHORISATION**	A valid OEM Manufacturer authorisation/partner-level letter for the PBX platform and endpoint devices proposed. Attach.	
4.	**COMMUNICATIONS AUTHORITY OF KENYA (CA) LICENSE AND CERTIFICATE.**	Must be a Communications Authority Licenced contractor - Attach a valid License and certificate.	
5.	**ICTA NETWORKS**	The bidder must be a MINIMUM accredited as ICTA 3 for ICT Networks by The Information and Communication Technology Authority (ICTA)	
6.	**WARRANTY**	The delivered solution must have a manufacturer's warranty of 1 year.	
7.	**RECOMMENDATION LETTERS**	Attach Three reference letters on the client's letterhead from reputable corporate organizations (such as financial, insurance, or government entities) indicating successful projects for IP PBX Unified IP Telephony.	

8.	**TENDER SECURITY**	**KES: 180,000.00 Bid Bond**	
9.	**SITE VISIT CLEARANCE**	Signed Site visit Certificates – **Page 68**	
10.	**FORM OF TENDER**	Fill and submit the Form of Tender in the format provided	
11.	**CERTIFICATE OF INDEPENDENT TENDER DETERMINATION**	Fill and submit the Certificate of independent tender determination in the format provided.	
12.	**SELF-DECLARATION FORM**	Fill and submit the Self-declaration form that the person/tenderer is not debarred in the matter of the public procurement and asset disposal act 2015	
13.	**SELF-DECLARATION FORM**	Must fill and submit the Self-declaration form that the person/tenderer will not engage in any corrupt or fraudulent practice in the format provided	
14.	**SELF-DECLARATION FORM**	Must fill and submit the declaration and commitment to the code of ethics in the format provided	
15.	**SELF-DECLARATION FORM**	Must fill and submit Tenderer Information Form in the format provided	
16.	**SELF-DECLARATION FORM**	Must and submit a duly filled up Confidential Business Questionnaire in format provided	
17.	**SELF-DECLARATION FORM**	Fill and submit the Form of Tender Security (Demand Bank Guarantee) in the format provided	
18.	**PAGINATION**	All pages of the Tenderers document **must** be paginated and serialized.	

Failure to submit the above mandatory requirements will lead to automatic disqualification

B. MINIMUM TECHNICAL REQUIREMENTS

This Section contains the minimum Technical requirements that **MUST** be complied with by the Bidder.

i. Bidders must provide substantive responses for all clause-by-clause requirements in the bidder response column in table below. Use of such words as **OK, YES, tick, Compliant** etc. will be considered non-responsive.

ii. Award will be subject to due diligence post qualification. This is to ascertain that the bidder to be awarded vividly understands the requirements and that they have the technical capacity to deliver as per TOR (Terms of Reference)

a) ARCHITECTURE & MULTI-SITE DEPLOYMENT REQUIREMENTS

Req ID	Category	Minimum Technical Requirement Specifications	Type	Bidder Remarks
1.	Architecture Model	Distributed PBX, single-dial-plan architecture. Primary software-based virtual	Mandatory	

		instances at HQ (serving 4 Kenyan sites via MPLS WAN) with linked independent instances at regional subsidiaries.		
2.	HQ Nodes Capacity	Primary / Master, Secondary / Redundant Node: Software-based virtual instances in High Availability (HA) / Redundancy mode hosted at HQ, supporting ~180 extensions across HQ, Upperhill, Anniversary Towers, and Kisumu.	Mandatory	
3.	HQ PSTN Trunking	Digital Trunk Gateway to terminate existing E1/PRI PSTN circuit with dedicated DID block at HQ (mapping last 3 digits to internal extensions). Hardware-based, one-time purchase.	Mandatory	
4.	Kampala Subsidiary Node	On-premise appliance PBX supporting ~10 extensions with independent local SIP trunk termination from Ugandan provider. Supports local survivability.	Mandatory	
5.	Lusaka Subsidiary Node	On-premise appliance PBX supporting ~14 extensions with independent local SIP trunk termination from Zambian provider. Supports local survivability.	Mandatory	
6.	Abidjan Subsidiary Node	On-premise appliance PBX supporting ~16 extensions with independent local SIP trunk termination from Ivorian provider. Supports local survivability.	Mandatory	
7.	Local PSTN & Survivability	Each subsidiary PBX must make/receive local PSTN calls locally. If site-to-site VPN fails, local PSTN operation must continue uninterrupted. Only inter-office dialing may be impacted.	Mandatory	
8.	Future Scalability	Scalable architecture allowing seamless addition of at least 4 additional international offices (e.g. Dar es Salaam, Kigali) by deploying linked nodes without core re-architecture.	Mandatory	

b) UNIFIED NUMBERING PLAN & INTER-SITE TRUNKING

Req ID	Category	Minimum Technical Requirement Specifications	Type	Bidder Remarks
1.	Dial Plan Structure	Single, non-overlapping internal extension numbering plan spanning all current and planned group sites, enabling short extension-to-extension dialing across the	Mandatory	

		group.		
2.	Inter-PBX Linking	Native PBX-to-PBX trunking over existing site-to-site IPsec VPNs connecting HQ and subsidiaries for free inter-office extension traffic.	Mandatory	
3.	Least Cost Routing	Automatic LCR routing rules forcing external outbound calls to break out through the local PSTN trunk of the destination country, avoiding international PSTN charges.	Mandatory	

c) AI CALL HANDLING, MOBILITY & CALL CENTER FEATURES

Req ID	Category	Minimum Technical Requirement Specifications	Type	Bidder Remarks
1.	AI Auto-Attendant	Built-in, speech-driven AI receptionist capable of understanding natural spoken requests (e.g., 'connect me to claims') and routing callers without numeric menus.	Mandatory	
2.	Voicemail & Summaries	AI-generated voicemail transcription and call summaries delivered to user email and UC mobile/desktop applications.	Mandatory	
3.	Time/Holiday Routing	Independent per-country time-based and public holiday routing configuration, governing after-hours announcements autonomously per office.	Mandatory	
4.	Conversational AI	Optional integration capability with 3rd-party Large Language Model (LLM) conversational AI plugins for automated FAQ handling on main lines.	Optional	
5.	Call Analytics & Recording	Full call recording capability, queue/ring-group analytics, and web/desktop wallboard for contact handling teams.	Mandatory	

d) ENDPOINT BILL OF MATERIALS & TECHNICAL SPECIFICATIONS

Bidders must state the manufacturer, brand and exact model proposed against each line item, and provide a

datasheet for each proposed model as an annexure to their technical proposal. All desk-phone endpoints must be natively supported and zero-touch auto-provisionable by the proposed PBX platform.

Req ID	Endpoint Category	Minimum Technical Specifications	Qty	Proposed Model & Specifications
1.	• Executive / Manager Phone	• Screen: 7-inch color IPS touch screen (1024×600 resolution) • 20 SIP lines, SIP Hotspot • Tilt Angle: Adjustable from 0° to 40° • Keypad: Features customizable colourful light effects and 112 one-touch DSS virtual keys on the screen • Surface: Antibacterial material finish • SIP Accounts: Up to 20 lines • Network Ports: Dual Gigabit Ethernet (10/100/1000 Mbps) ports • Power over Ethernet (PoE): Built-in IEEE 802.3af support • Wi-Fi: Built-in dual-band 2.4GHz / 5GHz Wi-Fi • Bluetooth: Built-in Bluetooth 4.2 / 5.0 support • Colourful Light Effect for specific scenario (boot-up/ringing/MWI/etc.) • Android 9.0 operating system, • Video decoding: H.264 • Video call resolution: CIF/VGA/4CIF/720P/1080P • Image format: JPEG/PNG/BMP • Video format: MP4 • Bandwidth selection: 64kbps~4Mbps • Frame rate selection: 5~30fps • Video from remote site can be displayed in full screen • Internal HD camera: • 5 Mega Pixel, 1080P @ 30fps	50	Brand: Model:
2.	Reception Desks Phone	• 20 SIP Lines – Handle multiple calls and extensions with ease • 4.3" Main Color Display + 2x 3.5" Side Screens – Total of 106 programmable DSS keys • HD Audio with Noise Reduction – Crystal-clear communication on handset and speaker Built-in Bluetooth – Connect wireless Bluetooth headsets easily • Wi-Fi Ready – Compatible with USB Wi-Fi dongle for wireless networking • Video Call Support (H.264 Codec) – View	8	Brand: Model:

		compatible IP cameras and door phones • PoE + Dual Gigabit Ethernet Ports – Fast data transfer and simplified power integration • EHS Headset Support – Compatible with Plantronics and Jabra wireless headsets • Mini PBX Capability (Hotspot Mode) – Set up a small communication network without a separate PBX • Stand with Adjustable Angles (40°/50°) – Flexible viewing for comfortable usage • HD audio on handset and speaker • Wideband codecs: Opus, G.722 • Narrowband codecs: G.711a/u, G.729A/B, iLBC • Video codec: H.264 • Video resolutions: QCIF, CIF, VG		
3.	General Staff Phone	• Display: 7-inch IPS color touchscreen (1024×600 resolution) • SIP Lines: Up to 20 SIP accounts • Audio: HD audio with Harman speaker, Opus, G.722, G.711, G.729, iLBC • Video: Supports H.264, resolutions up to 1080p (requires CM60 USB Camera) • Wi-Fi: Dual-band 2.4GHz/5GHz (802.11 b/g/n/ac) • Bluetooth: Built-in Bluetooth 4.2 for wireless headset pairing • Networking: Dual Gigabit Ethernet ports with PoE support • Operating System: Android 9.0 with support for third-party apps & SDK development • DSS Keys: 112 programmable virtual keys on-screen • Camera: Optional USB CM60 camera with clip mount for flexible installation • 3-way audio/video conferencing • Call transfer, forwarding, hold, pickup, redial, auto-answer • Caller ID display, intercom, speed dial, DND • Call logs (1000 entries), phonebook (2000 entries) • Black/White list filters, voicemail (VMWI) • Miracast screen sharing	147	Brand: Model:
4.	Security / Basic Phone	Basic IP phone with min. 2.4-inch color screen (320x240+); min. 4 SIP registrations; HD voice; min. 6-way local audio conferencing; Wi-Fi (Wi-Fi 6 preferred) and Bluetooth 5.x support.	12	Brand: Model:
5.	Mobile / Field	Licensed mobile softphone app (iOS & Android)	50	Brand/App:

	Softphone	presenting extension on smartphone; call control, transfer, voicemail, presence status, instant messaging/chat fully integrated with PBX.		Version:
6.	Provisioning Compatibility	All proposed IP desk phone endpoints must be natively supported and zero-touch auto-provisionable by the proposed PBX platform.	Mandatory	
7.	Special category	• Product Type: Big Button SIP IP Phone • Display:5-inch Colour LCD (320 × 240) • SIP Lines: 2 • Network Ports: 2 × 10/100/1000 Mbps Gigabit Ethernet • Power: IEEE 802.3af PoE or DC Power Adapter • Wireless Connectivity: Dual-Band 2.4GHz & 5GHz Wi-Fi • Bluetooth: Bluetooth 4.2 • Audio Codecs:722, Opus, G.711A/U, G.729A/B, G.726, iLBC • Speed Dial Keys: 4 Photo Programmable Keys • Keypad: Large Buttons with Braille Dots • Emergency Support: HELP Button and 433MHz Wireless Emergency Button Compatibility	3	

e) SYSTEM & EXTENSION LICENSING REQUIREMENTS

Req ID	Licence Component	Minimum Technical & Functional Requirements	Applies To	Bidder Remarks
1.	PBX System Base Licence	Core call control, IVR, call queuing, and audio/video conferencing for each node's required extension/port count.	Each PBX Node (HQ + 3 Regional)	
2.	Top-Tier Extension Licence	Per-extension licence unlocking AI auto-attendant, mobile & desktop UC apps, video conferencing, call recording, CRM/Teams/Outlook integrations.	220 Extensions (+ Growth Headroom)	
3.	Multi-Site Trunking Licence	Licensing to interconnect multiple independent PBX nodes into a single internal numbering plan with short-extension inter-site dialling.	All Deployed Nodes	
4.	Digital Gateway Licence	Licensing for HQ E1/PRI termination gateway. One-time hardware/licence purchase preferred (no recurring SaaS fees).	HQ Gateway Instance	

f) CALL BILLING & COST MANAGEMENT REQUIREMENTS

Req ID	Category	Minimum Technical Requirement Specifications	Type	Bidder Remarks
1.	Native Billing Module	Built-in call billing module on each PBX node supporting per-trunk/destination rate tables, free-minute allowances, min duration, per-sec/per-min increments.	Mandatory	
2.	Multi-Currency Support	Configurable in local currencies per node (KES at HQ, UGX in Kampala, ZMW in Lusaka, XOF in Abidjan) to align exactly with local operator rate cards and invoices.	Mandatory	
3.	On-Net Call Tagging	Automatic tagging of extension-to-extension and inter-office linked-PBX calls as zero-cost to isolate genuine PSTN billing spend.	Mandatory	
4.	Call Detail Record (CDR) & Data Export	Capture detailed CDRs (caller, callee, extension, department, trunk, duration, cost). Exportable to CSV/Excel and syslog destination forwarding.	Mandatory	
5.	Automated Reporting	Built-in dashboards and scheduled automated email reports (daily/weekly/monthly) showing top callers, costliest destinations, and trunk utilization per site.	Mandatory	
6.	Central Management Console	Single central management console aggregating status, metrics, and call stats from all nodes for group-wide expense reporting from HQ.	Mandatory	
7.	3rd-Party Billing Integration	Support CDR export via file/API for external telecom billing, chargeback platforms, or BI pipeline integration (e.g. data-import into corporate BI tool).	Mandatory	

g) NETWORK INFRASTRUCTURE & QUALITY OF SERVICE (QOS)

Req ID	Category	Minimum Technical Requirement Specifications	Type	Bidder Remarks
1.	QoS & DSCP Marking	Design and validation of Voice VLANs, DSCP/802.1p QoS marking (Expedited Forwarding for RTP media, Class Selector 3 for SIP signaling) on WAN & switch ports.	Mandatory	
2.	Bandwidth Sizing	WAN/VPN bandwidth sizing for concurrent calls (budgeting ~100 kbps/call for G.711 or ~30-40 kbps/call for G.729 plus overhead). Detailed calculation table required.	Mandatory	
3.	Firewall & Security Rules	Documentation of required firewall/VPN policies for SIP (UDP/TCP 5060/5061) and RTP media ranges between sites and to carrier SBCs.	Mandatory	
4.	PoE Switching Capacity	Validation of Power-over-Ethernet (PoE) switch capacity at each site to power all IP phones without external adapters, flagging required switch upgrades.	Mandatory	

h) IMPLEMENTATION & PHASED MIGRATION APPROACH

Req ID	Migration Phase	Minimum Technical & Operational Requirements	Type	Bidder Remarks
1.	Phase 1: HQ Staging	Stand up HQ virtual PBX and digital trunk gateway in parallel with legacy system; port test DID range for initial validation.	Mandatory	
2.	Phase 2: Pilot Testing	Provision and pilot handsets for small pilot group (IT & Reception desk) to validate audio quality, BLF functionality, and video calling.	Mandatory	
3.	Phase 3: Kenya Rollout	Phased cutover of Kenyan sites (HQ, Upperhill, Anniversary Towers, Kisumu) over MPLS WAN; floor/department-wise decommissioning of legacy hardware.	Mandatory	
4.	Phase 4: Subsidiary Deployment	**Onsite** deployment of subsidiary nodes in Kampala, Lusaka, and Abidjan; assign local DIDs; enable inter-site VPN linking to HQ for group extension dialing.	Mandatory	
5.	Phase 5: Mobility & Training	Roll out mobile softphone apps to a minimum of 50 designated staff; conduct comprehensive training for ICT staff, receptionists , and end-users.	Mandatory	

C. TECHNICAL EVALUATION CRITERIA

NO.	FEATURE DESCRIPTION	MINIMUM REQUIREMENTS	BIDDER'S RESPONSE (NARRATIVE ANSWER)	MAX SCORE
1.	**Qualified staff**	Certified technical staff (manufacturer-certified engineers) for the proposed PBX platform and proposed endpoint devices. (minimum three (3) – 10 points for each certified engineer. The listed engineers will be one's to implement the solution end to end.		**30**
2.	**Lead Project Manager: Must possess a recognized Project Management Certification (e.g., PMP or PRINCE2) and a minimum of 5 years of experience.**	The lead project manager should have a Valid PMP/PRINCE2 certificate + CV showing ≥ 5 years' experience: 15 Marks• No certification or inadequate experience: 0 Marks		**15**
3.	**Support plan / Escalation matrix with phone and email numbers**	Local (Kenya) presence or an established local support partner, plus a documented support/escalation model covering the proposed subsidiary countries (Uganda, Zambia, Côte d'Ivoire). Attach a support matrix with a signed SLA.		**20**
4.	**Full Manufacturer Authorized Training at an accredited OEM / Distributor site or facility of the implemented solution**	The bidder must state schedule of services for provision of the Manufacturer authorized Training for the smooth operation and support of the solution. The training should accommodate at least 2 Kenya RE technical officers. Provide topics to be covered and duration.		**20**
5.	**Provision of a detailed project plan / Work Plan**	The bidder must provide a detailed project / work plan for the supply, delivery, training, installation, testing, system integration and provision of all other requested services for the successful implementation of Unified Telephony solutions and its commissioning.		**15**
Total Score (Passing score is 90 out of 100)				**100**

D. PRICE EVALUATION

Consistent with and in addition to the criteria listed in ITT 33.3 and ITT 29.3; and ITT 34 and its subparagraphs the following criteria shall apply:

The tenderer who pass the required Technical score and provides the lowest evaluated price will be considered for award.

2.2.1 Evaluation of Technical aspects of the Tender

The Procuring Entity shall evaluate the Technical aspects of the Tender to determine compliance with the Procuring Entity's requirements under Section V 'Schedule of Requirement' and whether the Tenders are substantially responsive to the Technical Specifications and other Requirements.
Evaluation and comparison of Tenders: The following evaluation criteria shall be applied not withstanding any other requirement in the tender documents.

Selection Process

Below is a description of the evaluation steps that will be adopted.

STEP 1: Preliminary evaluation

This will be an elimination stage which will be done as per paragraph 2.2 above.

STEP 2: Technical evaluation

Bidders will be subjected to a technical evaluation as per the Evaluation Criteria.

The proposed solution should include items in the technical specification.

Evaluation of Technical aspects of the Tender

The Procuring Entity shall evaluate the Technical aspects of the Tender to determine compliance with the **Technical Specifications Checklist**

The following checklist is provided to help the Bidder organize and consistently present its Technical bid and for each of the following Technical Requirements, the Bidder must describe in detail how its Technical Bid responds to the requirements. One or two-word responses (e.g., "Yes," "No,", "Will comply," etc.) will be considered as not sufficient to confirm technical responsiveness with Technical Requirements.

SECTION IV - TENDERING

INSTRUCTIONS TO TENDERERS

i) *The Tenderer must prepare this Form of Tender on stationery with its letter head clearly showing the Tenderer's complete name and business address.*

ii) *All italicized text is to help Tenderer in preparing this form.*

iii) *Tenderer must complete and sign* TENDERER'S ELIGIBILITY- CONFIDENTIAL BUSINESS QUESTIONNAIRE, *CERTIFICATE OF INDEPENDENT TENDER DETERMINATION and the SELF DECLARATION OF THE TENDERER,* all *attached to this Form of Tender*

iv) *The Form of Tender shall include the following Forms duly completed and signed by the Tenderer.*

- *Tenderer's Eligibility-Confidential Business Questionnaire*
- *Certificate of Independent Tender Determination*
- *Self-Declaration of the Tenderer*

Date of this Tender submission..... [*insert date (as day, month and year) of Tender submission*] **ITT No.:** ..... [*insert number of ITT process*]

Alternative No.: ..... [*insert identification No if this is a Tender for an alternative*]

To: ..... **[*insert complete name of Procuring Entity]***

a) **No reservations:** We have examined and have no reservations to the tendering document, including Addenda issued in accordance with Instructions to Tenderers (ITT 8);

b) **Eligibility**: We meet the eligibility requirements and have no conflict of interest in accordance with ITT 4;

c) **Tender-Securing Declaration:** We have not been debarred by the Authority based on execution of a Tender- Securing Declaration or Tender Securing Declaration in Kenya in accordance with ITT 4.8;

d) **Conformity:** We offer to provide design, supply and installation services in conformity with the tendering document of the following: [*insert a brief description of the IS Design, Supply and Installation Services*];

e) **Tender Price:** The total price of our Tender, excluding any discounts offered in item (f) below is: *[Insert one of the options below as appropriate]*

Total price is: [*insert the total price of the Tender in words and figures, indicating the various amounts and the respective currencies*];

The prices quoted by the Tenderer Shall include all levies and taxes including Capacity Building levy of 0.03% as required by Legal Notice No. 206 on the Public Procurement Capacity Building Levy Order 2023.

(f) **Discounts:** The discounts offered and the methodology for their application are:

i) The discounts offered are: [*Specify in detail each discount offered.*]

ii) The exact method of calculations to determine the net price after application of discounts is shown below: [*Specify in detail the method that shall be used to apply the discounts*];

g) **Tender Validity Period:** Our Tender shall be valid for the period specified in TDS ITT 19.1 (as amended if applicable) from the date fixed for the Tender submission deadline (specified in TDS ITT 23.1 (as amended if applicable), and it shall remain binding upon us and may be accepted at any time before the expiration of that period;

h) **Performance Security:** If our Tender is accepted, we commit to obtain a Performance Security in accordance with the tendering document;

i) **One Tender per Tenderer:** We are not submitting any other Tender (s) as an individual Tenderer, and we are not participating in any other Tender (s) as a Joint Venture member, and meet the requirements of ITT 4.3, other than alternative Tenders submitted in accordance with ITT 13;

j) **Suspension and Debarment**: We, along with any of our subcontractors, suppliers, consultants,

manufacturers, or service providers for any part of the contract, are not subject to, and not controlled by any entity or individual that is subject to, a temporary suspension or a debarment imposed by the PPRA. Further, we are not in eligible under Laws of Kenya or official regulations or pursuant to a decision of the United Nations Security Council;

k) **State-owned enterprise or institution**: [*select the appropriate option and delete the other*] [*We are not a state- owned enterprise or institution*]/ [*We are a state-owned enterprise or institution but meet the requirements of ITT 4.7*];

l) **Commissions, gratuities and fees**: We have paid, or will pay the following commissions, gratuities, or fees with respect to the Tendering process or execution of the Contract: *[insert complete name of each Recipient, its full address, the reason for which each commission or gratuity was paid and the amount and currency of each such commission or gratuity]*

Name of Recipient	Address	Reason	Amount

(If none has been paid or is to be paid, indicate "none.")

m) **Binding Contract**: We understand that this Tender, together with your written acceptance thereof included in your Form of Acceptance, shall constitute a binding contract between us, until a formal contract is prepared and executed;

n) **Not Bound to Accept:** We understand that you are not bound to accept the lowest evaluated cost Tender, the Best Evaluated Tender or any other Tender that you may receive; and

o) **Fraud and Corruption:** We hereby certify that we have taken steps to ensure that no person acting for us or on our behalf engages in any type of Fraud and Corruption.

Name of the Tenderer: *[*insert complete name of person signing the Tender*]

p) **Collusive practices:** We hereby certify and confirm that the tender is genuine, non-collusive and made with the intention of accepting the contract if awarded. To this effect we have signed the "Certificate of Independent Tender Determination" attached below.

q) **Code of Ethical Conduct:** We undertake to adhere by the Code of Ethical Conduct for Persons Participating in Public Procurement and Asset Disposal Activities in Kenya, copy available from ***www.pppra.go.ke*** during the procurement process and the execution of any resulting contract.

r) We, the Tenderer, have fully completed and signed the following Forms as part of our Tender:

i) Tenderer's Eligibility; Confidential Business Questionnaire – to establish we are not in any conflict to interest.

ii) Certificate of Independent Tender Determination – to declare that we completed the tender without colluding with other tenderers.

iii) Self-Declaration of the Tenderer–to declare that we will, if awarded a contract, not engage in any form of fraud and corruption.

iv) Declaration and commitment to the code of ethics for Persons Participating in Public

Procurement and Asset Disposal Activities in Kenya. Further, we confirm that we have read and understood the full content and scope of fraud and corruption as in formed in **"Appendix1-Fraud and Corruption**" attached to the Form of Tender.

Name of the person duly authorized to sign the Tender on behalf of the Tenderer: **[*insert complete name of person duly authorized to sign the Tender*]

Title of the person signing the Tender: [*insert complete title of the person signing the Tender*]

Signature **of the person named above**: [*insert signature of person whose name and capacity are*

shown above] **Date signed** [*insert date of signing*] **day of** [*insert month*], [*insert year*].

(1) **TENDERER'S ELIGIBILITY-CONFIDENTIAL BUSINESS QUESTIONNAIRE**

Instruction to Tenderer

Tender is instructed to complete the particulars required in this Form, *one form for each entity if Tender is a JV*. Tenderer is further reminded that it is an offence to give false information on this Form.

A. Tenderer's details

	ITEM	DESCRIPTION
1	Name of the Procuring Entity	
2	Name of the Tenderer	
3	Full Address and Contact Details of the Tenderer.	1. Country 2. City 3. Location 4. Building 5. Floor 6. Postal Address 7. Name and email of contact person.
4	Reference Number of the Tender	
5	Date and Time of Tender Opening	
6	Current Trade License No and Expiring date	
7	Maximum value of business which the Tenderer handles.	
8		

General and Specific Details

Sole Proprietor, provide the following details.

Name in full_____Age_
_____

Nationality_____Country of Origin_

_____ Citizenship _

_____

_____

a) Partnership, provide the following details.

	Names of Partners	Nationality	Citizenship	% Shares owned
1				
2				

3				

(d) Registered Company, provide the following details.

(i) Private or public Company _____

(ii) State the nominal and issued capital of the Company-

Nominal Kenya Shillings (Equivalent) .....
Issued Kenya Shillings (Equivalent) .....

(iii) Give details of Directors as follows.

	Names of Director	**Nationality**	**Citizenship**	**% Shares owned**
1				
2				
3				

(e) DISCLOSURE OF INTEREST- Interest of the Firm in the Procuring Entity.

(i) Are there any person/persons in .... (*Name of Procuring Entity)* who has an interest or relationship in this firm? Yes/No.....

If yes, provide details as follows.

	Names of Person	**Designation in the Procuring Entity**	**Interest or Relationship with Tenderer**
1			
2			
3			

(ii) Conflict of interest disclosure

	Type of Conflict	**Disclosure YES OR NO**	**If YES provide details of the relationship with Tenderer**
1	Tenderer is directly or indirectly controlled by or is under common control with another tenderer.		
2	Tenderer receives or has received any direct or indirect subsidy from another tenderer.		
3	Tenderer has the same legal representative as another tenderer		
4	Tender has a relationship with another tenderer, directly or through common third parties that puts it in a position to influence the tender of another tenderer or influence the decisions of the		

	Procuring Entity regarding this tendering process.		
5	Any of the Tenderer's affiliates participated as a consultant in the preparation of the design or technical specifications of the works that are the subject of the tender.		
6	Tenderer would be providing goods, works, non-consulting services or consulting services during implementation of the contract specified in this Tender Document.		
7	Tenderer has a close business or family relationship with a professional staff of the Procuring Entity who are directly or indirectly involved in the preparation of the Tender document or specifications of the Contract, and/or the Tender evaluation process of such contract.		
8	Tenderer has a close business or family relationship with a professional staff of the Procuring Entity who would be involved in the implementation or supervision of the Contract.		
9	Has the conflict stemming from such relationship stated in item 7 and 8 above been resolved in a manner acceptable to the Procuring Entity throughout the tendering process and execution of the Contract?		

(f) Certification

On behalf of the Tenderer, I certify that the information given

above is correct. Full Name_____

Title or Designation_____

_____ _____

(Signature) (Date)

_____

2) CERTIFICATE OF INDEPENDENT TENDER DETERMINATION

I, the undersigned, in submitting the accompanying Letter of Tender to the_____ _____*[Name of Procuring Entity]* for: _____*[Name and number of tenders]* in response to the request for tenders made by: _____*[Name of Tenderer]* do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of_____*[Name of Tenderer]* that:

i). I have read and I understand the contents of this Certificate;

ii). I understand that the Tender will be disqualified if this Certificate is found not to be true and complete in every respect;

iii). I am the authorized representative of the Tenderer with authority to sign this Certificate, and to submit the Tender on behalf of the Tenderer;

iv). For the purposes of this Certificate and the Tender, I understand that the word "competitor" shall include any individual or organization, other than the Tenderer, whether or not affiliated with the Tenderer, who:

a) Has been requested to submit a Tender in response to this request for tenders;

b) could potentially submit a tender in response to this request for tenders, based on their qualifications, abilities or experience;

v). The Tenderer discloses that [check one of the following, as applicable]:

a) The Tenderer has arrived at the Tender independently from, and without consultation, communication, agreement or arrangement with, any competitor;

b) the Tenderer has entered into consultations, communications, agreements or arrangements with one or more competitors regarding this request for tenders, and the Tenderer discloses, in the attached document(s), complete details thereof, including the names of the competitors and the nature of, and reasons for, such consultations, communications, agreements or arrangements;

vi). In particular, without limiting the generality of paragraphs (5) (a) or (5) (b) above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:

a) prices;

b) methods, factors or formulas used to calculate prices;

c) the intention or decision to submit, or not to submit, a tender; or

d) the submission of a tender which does not meet the specifications of the request for Tenders; except as specifically disclosed pursuant to paragraph (5) (b) above;

vii).In addition, there has been no consultation, communication, agreement or arrangement with any competitor regarding the quality, quantity, specifications or delivery particulars of the works or services to which this request for tenders relates, except as specifically authorized by the procuring authority or as specifically disclosed pursuant to paragraph (5) (b) above;

viii). The terms of the Tender have not been, and will not be, knowingly disclosed by the Tenderer, directly or indirectly, to any competitor, prior to the date and time of the official tender opening, or of the awarding of the Contract, whichever comes first, unless otherwise required by law or as specifically disclosed pursuant to paragraph(5)(b) above.

Name_____

Title_____

Date_____

[Name, title, and signature of authorized agent of Tenderer and Date]

CERTIFICATE OF INDEPENDENT TENDER DETERMINATION

I, the undersigned, in submitting the accompanying Letter of Tender to the_____ _____*[Name of Procuring Entity]* for:_____*[Name and number of tender]* in response to the request for tenders made by:_____*[Name of Tenderer]* do hereby make the following statements that I certify to be true and complete in every respect:

I certify, on behalf of_____*[Name of Tenderer]* that:

1. I have read and I understand the contents of this Certificate;
2. I understand that the Tender will be disqualified if this Certificate is found not to be true and complete in every respect;
3. I am the authorized representative of the Tenderer with authority to sign this Certificate, and to submit the Tender on behalf of the Tenderer;
4. For the purposes of this Certificate and the Tender, I understand that the word "competitor" shall include any individual or organization, other than the Tenderer, whether or not affiliated with the Tenderer, who:
   a) has been requested to submit a Tender in response to this request for tenders;
   b) could potentially submit a tender in response to this request for tenders, based on their qualifications, abilities or experience;
5. The Tenderer discloses that [check one of the following, as applicable]:
   a) The Tenderer has arrived at the Tender independently from, and without consultation, communication, agreement or arrangement with, any competitor;
   b) the Tenderer has entered into consultations, communications, agreements or arrangements with one or more competitors regarding this request for tenders, and the Tenderer discloses, in the attached document(s), complete details thereof, including the names of the competitors and the nature of, and reasons for, such consultations, communications, agreements or arrangements;
6. In particular, without limiting the generality of paragraphs (5)(a) or (5)(b) above, there has been no consultation, communication, agreement or arrangement with any competitor regarding:
   a) prices;
   b) methods, factors or formulas used to calculate prices;
   c) the intention or decision to submit, or not to submit, a tender; or
   d) the submission of a tender which does not meet the specifications of the request for Tenders; except as specifically disclosed pursuant to paragraph (5)(b) above;
7. In addition, there has been no consultation, communication, agreement or arrangement with any competitor regarding the quality, quantity, specifications or delivery particulars of the works or services to which this request for tenders relates, except as specifically authorized by the procuring authority or as specifically disclosed pursuant to paragraph (5)(b) above;
8. the terms of the Tender have not been, and will not be, knowingly disclosed by the Tenderer, directly or indirectly, to any competitor, prior to the date and time of the official tender opening, or of the awarding of the Contract, whichever comes first, unless otherwise required by law or as specifically disclosed pursuant to paragraph (5)(b) above.

Name

_____

Title_

Date_

[Name, title and signature of authorized agent of Tenderer and Date]

(3) SELF-DECLARATION FORMS

FORM SD1

SELF DECLARATION THAT THE PERSON/ TENDERER IS NOT DEBARRED IN THE MATTER OF THE PUBLIC PROCUREMENT AND ASSET DISPOSAL ACT 2015.

I, ……, of Post Office Box …… being a resident of …… in the Republic of …… do hereby make a statement as follows: -

1. THAT I am the Company Secretary/ Chief Executive/Managing Director/Principal Officer/Director of …… *(insert name of the Company)* who is a Bidder in respect of **Tender No……** for…… *(insert tender title/description)* for…… *(insert name of the Procuring entity)* and duly authorized and competent to make this statement.

2. THAT the aforesaid Bidder, its Directors and subcontractors have not been debarred from participating in procurement proceeding under Part IV of the Act.

3. THAT what is deponed to here in above is true to the best of my knowledge, information and belief.

……	……	……
(Title)	(Signature)	(Date)

Bidder Official Stamp

FORM SD2

SELF DECLARATION THAT THE PERSON/TENDERER WILL NOT ENGAGE IN ANY CORRUPT OR FRAUDULENT PRACTICE

I, ...of P. O. Box..... being a resident of ..... in the Republic of.....do hereby make a statement as follows: -

1. THAT I am the Chief Executive /Managing Director/ Principal Officer/ Director of..... ..... *(insert name of the Company)* who is a Bidder in respect of **Tender No. .....** for ..... *(insert tender title/description)* for ..... *(insert name of the Procuring entity)* and duly authorized and competent to make this statement.

2. THAT the aforesaid Bidder, its servants and/or agents /subcontractors will not engage in any corrupt or fraudulent practice and has not been requested to pay any inducement to any member of the Board, Management, Staff and /or employees and /or agents of..... *(insert name of the Procuring entity)* which is the procuring entity.

3. THAT the aforesaid Bidder, its servants and /or agents /subcontractors have not offered any inducement to any member of the Board, Management, Staff and/ or employees and/ or agents of..... *(name of the procuring entity)*.

4. THAT the aforesaid Bidder will not engage /has not engaged in any corrosive practice with other bidders participating in the subject tender

5. THAT what is deponed to here in above is true to the best of my knowledge information and belief.

....	.....	.....
(Title)	(Signature)	(Date)

Bidder's Official Stamp

DECLARATION AND COMMITMENT TO THE CODE OF ETHICS

I ..... (person) on behalf of ***(Name of the Business/Company/Firm***) ..... declare that I have read and fully understood the contents of the Public Procurement & Asset Disposal Act, 2015, Regulations and the Code of Ethics for persons participating in Public Procurement and Asset Disposal activities in Kenya and my responsibilities under the Code.

I do hereby commit to abide by the provisions of the Code of Ethics for persons participating in Public Procurement and Asset Disposal.

Name of Authorized signatory.....

Sign.....

Position.....

Office address..... Telephone..... E-mail.....

Name of the Firm/Company.....

Date.....

(Company Seal/ Rubber Stamp where applicable)

Witness

Name.....

Sign.....

Date.....

FORM OF TENDER SECURITY - DEMAND BANK GUARANTEE

Beneficiary: _____

ITT No:_____

Date: _____

TENDER GUARANTEE No.:_____

Guarantor: _____

1. We have been informed that_____(hereinafter called "the Applicant")has submitted or will submit to the Beneficiary its Tender (hereinafter called "the Tender") for the execution of_____under Request for Tenders No._____ _____("the ITT").

2. Furthermore, we understand that, according to the Beneficiary's conditions, Tenders must be supported by a Tender guarantee.

3. At the request of the Applicant, we, as Guarantor, hereby irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of_____(_____) upon receipt by us of the Beneficiary's complying demand, supported by the Beneficiary's statement, whether in the demand itself or a separate signed document accompanying or identifying the demand, stating that either the Applicant:

   a) has withdrawn its Tender during the period of Tender validity set forth in the Applicant's Letter of Tender ("the Tender Validity Period"), or any extension thereto provided by the Applicant; or

   b) having been notified of the acceptance of its Tender by the Beneficiary during the Tender Validity Period or any extension thereto provided by the Applicant, (i) has failed to execute the contract agreement, or (ii) has failed to furnish the Performance.

4. This guarantee will expire: (a) if the Applicant is the successful Tenderer, upon our receipt of copies of the contract agreement signed by the Applicant and the Performance Security and, or (b) if the Applicant is not the successful Tenderer, upon the earlier of (i) our receipt of a copy of the Beneficiary's notification to the Applicant of the results of the Tendering process; or (ii)twenty-eight days after the end of the Tender Validity Period.

5. Consequently, any demand for payment under this guarantee must be received by us at the office indicated above on or before that date.

_____

[Signature(s)]

TENDERER INFORMATION FORM

[The tenderer shall fill in this Form in accordance with the instructions indicated below. No alterations to its format shall be permitted and no substitutions shall be accepted.]

Date.....*[insert date (as day, month and year) of Tender submission*]

Tender Name and Identification ..... [*Insert identification.*

Alternative No.....*[insert identification No if this is a Tender for an alternative]*

Page_____of_____pages

1. Tenderer's Name *[insert Tenderer's legal name]*
2. In case of JV, legal name of each member: *[insert legal name of each member in JV]*
3. Tenderer's actual or intended country of registration: *[insert actual or intended country of registration]*
4. Tenderer's year of registration: *[insert Tenderer's year of registration]*
5. Tenderer's Address in country of registration: *[insert Tenderer's legal address in country of registration]*
6. Tenderer's Authorized Representative Information Name: *[insert Authorized Representative's name]* Address: *[insert Authorized Representative's Address]* Telephone/Fax numbers: *[insert Authorized Representative's telephone/fax numbers]* Email Address: *[insert Authorized Representative's email address]*
7. Attached are copies of original documents of *[check the box(es) of the attached original documents]* ☐ For Kenyan Tenderers a current tax clearance certificate or tax exemption certificate issued by the Kenya Revenue Authority in accordance with ITT 3.14. ☐Articles of Incorporation (or equivalent documents of constitution or association), and/or documents of registration of the legal entity named above, in accordance with ITT 3.4. ☐ In case of JV, letter of intent to form JV or JV agreement, in accordance with ITT 3.1. ☐ In case of state-owned enterprise or institution, in accordance with ITT 4.6 documents establishing: (i) Legal and financial autonomy (ii) Operation under commercial law (iii) Establishing that the tenderer is not under the supervision of the Procuring Entity 2. Included are the organizational chart, a list of Board of Directors, and the beneficial ownership.

TENDERER'S JV MEMBERS INFORMATION FORM

[The tenderer shall fill in this Form in accordance with the instructions indicated below. The following table shall be filled in for the tenderer and for each member of a Joint Venture]].

Date: .....*[insert date (as day, month and year) of Tender submission].*

Tender Name and Identification .....*[insert identification*
Alternative No.....*[insert identification No if this is a Tender for an alternative].*

Page_____of_____pages

1. Tenderer's Name: *[insert Tenderer's legal name]*
2. Tenderer's JV Member's name: *[insert JV's Member legal name]*
3. Tenderer's JV Member's country of registration: *[insert JV's Member country of registration]*
4. Tenderer's JV Member's year of registration: *[insert JV's Member year of registration]*
5. Tenderer's JV Member's legal address in country of registration: *[insert JV's Member legal address in country of registration]*
6. Tenderer's JV Member's authorized representative information Name: *[insert name of JV's Member authorized representative]* Address: *[insert address of JV's Member authorized representative]* Telephone/Fax numbers: *[insert telephone/fax numbers of JV's Member authorized representative]* Email Address: *[insert email address of JV's Member authorized representative]*
7. Attached are copies of original documents of *[check the box(es) of the attached original documents]* ☐ Articles of Incorporation (or equivalent documents of constitution or association), and/or registration documents of the legal entity named above, in accordance with ITT 4.4. ☐ In case of a state-owned enterprise or institution, documents establishing legal and financial autonomy, operation in accordance with commercial law, and that they are not under the supervision of the Procuring Entity, in accordance with ITT 4.6. 8. Included are the organizational chart, a list of Board of Directors, and the beneficial ownership.

APPENDIX 1 - FRAUD AND CORRUPTION

(Appendix 1 shall not be modified)

1. Purpose

1.1 The Government of Kenya's Anti-Corruption and Economic Crime laws and their sanction's policies and procedures, Public Procurement and Asset Disposal Act, 2015 (the Act) and the Public Procurement and Asset Regulations, 2020 (the Regulations) and any other relevant Kenya's Acts or Regulations related to Fraud and Corruption, and similar offences, shall apply with respect to Public Procurement Processes and Contracts that are governed by the laws of Kenya.

2. Requirements

2.1 The Government of Kenya requires that all parties including Procuring Entities, Tenderers, (applicants/proposers), Consultants, Contractors and Suppliers; any Sub-contractors, Sub-consultants, Service providers or Suppliers; any Agents (whether declared or not); and any of their Personnel, involved and engaged in procurement under Kenya's Laws and Regulation, observe the highest standard of ethics during the procurement process, selection and contract execution of all contracts, and refrain from Fraud and Corruption and fully comply with Kenya's laws and Regulations as per paragraphs 1.1 above.

2.2 Section 66 of the Act describes rules to be followed and actions to be taken in dealing with Corrupt, Coercive, Obstructive, Collusive or Fraudulent practices, and Conflicts of Interest in procurement including consequences for offences committed. A few of the provisions noted below high light Kenya's policy of no tolerance for such practices and behavior:

i) A person to whom this Act applies shall not be involved in any corrupt, coercive, obstructive, collusive or fraudulent practice; or conflicts of interest in any procurement or asset disposal proceeding;

ii) Adperson referred to under subsection (1) who contravenes the provisions of that sub-section commits an offence;

iii) Without limiting the generality of the subsection (1) and (2), the person shall be: -

a) disqualified from entering into a contract for a procurement or asset disposal proceeding; or

b) if a contract has already been entered into with the person, the contract shall be voidable;

iv) The voiding of a contract by the procuring entity under subsection (7) does not limit any legal remedy the procuring entity may have;

v) An employee or agent of the procuring entity or a member of the Board or committee of the procuring entity who has a conflict of interest with respect to a procurement: -

a) Shall not take part in the procurement proceedings;

b) shall not, after a procurement contract has been entered into, take part in any decision relating to the procurement or contract; and

c) shall not be a subcontractor for the tenderer to whom was awarded contract, or a member of the group of tenderers to whom the contract was awarded, but the subcontractor appointed shall meet all the requirements of this Act.

vi) An employee, agent or member described in subsection (1) who refrains from doing anything prohibited under that subsection, but for that subsection, would have been within his or her duties shall disclose the conflict of interest to the procuring entity;

vii) If a person contravenes sub section (1) with respect to a conflict of interest described in sub section (5) (a) and the contract is awarded to the person or his relative or to another person

in whom one of them had a direct or indirect pecuniary interest, the contract shall be terminated and all costs incurred by the public entity shall be made good by the awarding officer. Etc.

2.2 In compliance with Kenya's laws, regulations and policies mentioned above, the Procuring Entity:

a) Defines broadly, for the purposes of the above provisions, the terms:

i) "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

ii) "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;

iii) "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

iv) "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;

v) "obstructive practice" is:

1) Deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede investigation by Public Procurement Regulatory Authority (PPRA) or any other appropriate authority appointed by Government of Kenya into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or

2) acts intended to materially impede the exercise of the PPRA's or the appointed authority's inspection and audit rights provided for under paragraph 2.3e. below.

b) Defines more specifically, in accordance with the Act, provisions set forth for fraudulent and collusive practices as follows:

"fraudulent practice" includes a misrepresentation of fact in order to influence a procurement or disposal processor the exercise of a contract to the detriment of the procuring entity or the tenderer or the contractor, and includes collusive practices amongst tenderers prior to or after tender submission designed to establish tender prices at artificial non-competitive levels and to deprive the procuring entity of the benefits of free and open competition.

c) Rejects a proposal for award[1] of a contract if PPRA determines that the firm or individual recommended for award, any of its personnel, or its agents, or its sub-consultants, sub-contractors, service providers, suppliers and/ or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;

d) Pursuant to the Act and the Regulations, the Procuring Entity may recommend to PPRA for sanctioning and debarment of a firm or individual, as applicable under the Act and the Regulations;

e) Requires that a clause be included in the tender documents and Request for Proposal documents requiring

(i) Tenderers (applicants/proposers), Consultants, Contractors, and Suppliers, and their Sub-contractors, Sub-consultants, Service providers, Suppliers, Agents personnel, permit the PPRA or any other appropriate authority appointed by Government of Kenya to inspect all accounts, records and other documents relating to the procurement process, selection and/or contract execution, and to have them audited by

auditors appointed by the PPRA or any other appropriate authority appointed by Government of Kenya; and

f) Pursuant to Section 62 of the Act, requires Applicants/Tenderers to submit along with their Applications/Tenders/Proposals a "Self-Declaration Form" as included in the procurement document declaring that they and all parties involved in the procurement process and contract execution have not engaged/ will not engage in any corrupt or fraudulent practices.

PRICE SCHEDULE / FINANCIAL PROPOSAL

The table below is to be used as a guideline for quoting the solution. Please include all costs that may be missed out from the rows and columns in the table.

NOTE: It is a mandatory requirement of this proposal that the Bidder fully absorbs all logistical costs, including but not limited to i**nternational airfare, ground transport, accommodations, and the shipment of equipment/supplies** to all stations in Kenya and the wider regional footprint, for the duration of the engagement.

i. PRICE SCHEDULE TABLE

ITEM NO.	DESCRIPTION	UNIT	QTY	PROPOSED MODEL	UNIT PRICE (KES,INCL. VAT)	TOTAL PRICE (KES, INCL. VAT)
SECTION A						
A1	Head Office (Nairobi) Primary PBX System — base platform license, software edition (self-hosted virtual instance), sized for the required HQ port/extension count	System	1			
A2	Kampala (Uganda) linked PBX node — base platform license	System	1			
A3	Lusaka (Zambia) linked PBX node — base platform license	System	1			
A4	Abidjan (Côte d'Ivoire) linked PBX node — base platform license	System	1			
A5	Top-tier / unlimited-feature per-extension license (AI receptionist, mobile & desktop UC client, video conferencing, call recording, CRM/Teams/Outlook-type integration)	Extension	220			
A6	Multi-site / PBX-linking license (joins all nodes into a single internal numbering plan)	Lot	1			
A7	Server/VM hosting hardware for HQ platform, if not deployed on Kenya Re's existing virtualization infrastructure	Lot	1			
SUBTOTAL — SECTION A						
SECTION B						
B1	Digital E1/T1/PRI trunk gateway to terminate the existing Head Office PSTN circuit and present it to the PBX as a SIP trunk	Unit	1			
B2	Local SIP/PSTN trunk sourcing, configuration and commissioning — Kampala, Uganda	Lot	1			
B3	Local SIP/PSTN trunk sourcing, configuration and commissioning — Lusaka, Zambia	Lot	1			

B4	Local SIP/PSTN trunk sourcing, configuration and commissioning — Abidjan, Côte d'Ivoire	Lot	1			
SUBTOTAL — SECTION B						
SECTION C						
C1	Executive video-capable desk phone — managers/executives (touch-screen, native video calling, PoE Gigabit)	Unit	50			
C2	Reception desk phone with expansion/sidecar module and full accessories)	Unit	8			
C3	General staff colour-screen desk phone (≥7-inch touch-screen, ≥100 programmable keys, ≥16 SIP lines, Wi-Fi, Bluetooth, PoE Gigabit, EHS headset support)	Unit	147			
C4	Basic-level IP phone — security / non-office staff (≥2.4-inch colour screen, ≥4 SIP lines, 6-way conferencing)	Unit	12			
C5	Mobile softphone licence (iOS & Android) — field/remote staff	Licence	220			
C6	Special Groups IP phones - Big Button SIP IP Phone Display:5-inch Colour LCD (320 × 240)	Unit	3			
SUBTOTAL — SECTION C						
SECTION D						
D1	Solution design, installation, configuration, testing and commissioning — Head Office, Nairobi (incl. Upperhill, Anniversary Towers, Kisumu over MPLS)	Lot	1			
D2	**Onsite Solution** design, installation, configuration, testing and commissioning — **Kampala, Uganda.**	Lot	1			
D3	**Onsite Solution** design, installation, configuration, testing and commissioning — **Lusaka, Zambia**	Lot	1			
D4	**Onsite Solution** design, installation, configuration, testing and commissioning — **Abidjan, Côte d'Ivoire**	Lot	1			
D5	Network/QoS assessment, design and configuration (VLAN, DSCP/802.1p, bandwidth sizing) across all sites	Lot	1			
D6	Migration & cutover services from the legacy platform, including pilot phase and phased site cutover	Lot	1			
D7	Factory offsite Training for three Kenya Re ICT administrators	Lot	1			
D8	User onsite Training — Kenya Re end users (all sites)	Lot	1			
D9	As-built documentation and handover pack	Lot	1			
SUBTOTAL — SECTION D						
SECTION E						

E1	High-availability / disaster-recovery secondary PBX instance for Head Office (hot-standby pair)	Lot	1			
E2	**Call billing** Third-party billing/chargeback platform integration (CDR export/API) for formal cross-departmental or client-matter invoicing	Lot , Licencing per year , integration	1			
SUBTOTAL — SECTION E						
TOTALS SECTION A+B+C+D+E						

Notes to Tenderers on working with the Price Schedules.

General

1.1 The **prices in the above table will prevail during the contract period of Three years and will form part of the contract.**

1.2 The Schedules do not generally give a full description of the information technologies to be supplied, installed, and operationally accepted, or the Services to be performed under each item. However, it is assumed that Tenderers shall have read the Technical Requirements and other sections of these tendering documents to ascertain the full scope of the requirements associated with each item prior to filling in the rates and prices. The quoted rates and prices shall be deemed to cover the full scope of these Technical Requirements, as well as overhead and profit.

1.3 If Tenderers are unclear or uncertain as to the scope of any item, they shall seek clarification in accordance with the Instructions to Tenderers in the tendering documents prior to submitting their tender.

2. Pricing

2.1 Prices shall be filled in indelible ink, and any alterations necessary due to errors, etc., shall be initialed by the Tenderer. As specified in the Tender Data Sheet, prices shall be fixed and firm for the duration of the Contract.

2.2 Tender prices shall be quoted in the manner indicated and, in the currencies, specified in ITT 18.1 and ITT 18.2. Prices must correspond to items of the scope and quality defined in the Technical Requirements or elsewhere in these tendering documents.

2.3 The Tenderer must exercise great care in preparing its calculations, since there is no opportunity to correct errors once the deadline for submission of tenders has passed. A single error in specifying a unit price can therefore change a Tenderer's overall total tender price substantially, make the tender noncompetitive, or subject the Tenderer to possible loss. The Procuring Entity will correct any arithmetic error in accordance with the provisions of ITT 32.

2.4 Payments will be made to the Supplier in the currency or currencies indicated under each respective item. As specified in ITT18.2, no more than two foreign currencies may be used.

SECTION V - REQUIREMENTS DESCRIPTION / TECHNICAL SPECIFICATIONS

1. Introduction

Kenya Reinsurance Corporation Limited ("Kenya Re" or "the Corporation") operates from a Head Office and two additional Nairobi sites (Kenya Re Plaza, Upperhill, and Anniversary Towers, CBD), a branch office in Kisumu, and subsidiary offices in Kampala (Uganda), Lusaka (Zambia) and Abidjan (Côte d'Ivoire), with planned expansion into other regions.

The Corporation currently operates a legacy, proprietary on-premises IP telephony platform together with an assorted fleet of ageing IP handsets of varying generations. The Corporation wishes to replace this environment with a modern, self-hosted, unified telephony platform that supports a single internal extension numbering plan across all sites, local PSTN breakout per country, AI-assisted call handling, video-capable executive desk phones, and a mobile softphone for remote/field staff.

Kenya Re now invites competitive proposals from qualified, experienced bidders for the supply, delivery, installation, configuration, testing, commissioning, and post-implementation support of the solution described in this Request for Proposal (RFP).

2. Purpose

Kenya Re is seeking proposals from qualified and experienced vendors to;

- Replace the existing legacy PBX platform and legacy handset fleet with a modern, self-hosted unified communications (UC) platform.
- Establish a single, non-overlapping internal extension numbering plan spanning all current and planned Kenya Re sites.
- Provide each subsidiary office with independent local PSTN breakout and survivability, while enabling free inter-office extension dialling.
- Introduce AI-assisted call handling/receptionist capability, video conferencing, call recording, and mobile/desktop unified-communications clients.
- Provide a scalable architecture that can accommodate at least four additional country offices without re-architecture.
- Establish native, per-site, multi-currency call billing and consolidated group-wide cost reporting.

3. Scope

The successful bidder shall be responsible for, at minimum:

i. Design, supply, delivery, installation, configuration, testing and commissioning of a primary PBX platform instance at Nairobi Head Office and linked PBX instances at each subsidiary site, as further described in herein.

ii. Supply and integration of a digital trunk gateway to terminate Kenya Re's existing E1/PRI PSTN circuit at Head Office.

iii. Implementation of a unified internal numbering plan and inter-site (PBX-to-PBX) linking as outlined.

iv. Configuration of AI-assisted call handling, IVR, voicemail transcription, time-based/holiday routing, call recording, and analytics features.

v. Supply of all endpoint devices (desk phones) and mobile softphone licences matched to Kenya Re's minimum technical specifications.

vi. Supply of all associated system, per-extension, and inter-site linking licences.

vii. Configuration of native call billing, multi-currency rate tables, and consolidated multi-site reporting.

viii. Provision of network/QoS design guidance and validation.

ix. A phased migration plan and execution, from the legacy environment to the new platform, with minimal disruption to live operations.

x. Training of Kenya Re ICT staff and end users, and provision of "as-built" documentation.

xi. Post-implementation warranty support and an optional maintenance/support proposal (Service Level Agreement).

4. Current State of the Telephony Environment (For Bidder Context)

Item	Current Environment
Core PBX	Legacy proprietary on-premises Cisco Unified Communications platform (major-vendor product, current version 11)
Endpoints	Mixed fleet of legacy proprietary IP desk phones across several model generations
Kenya WAN	MPLS connecting HQ, Kenya Re Plaza Upperhill, Anniversary Towers and Kisumu
Africa connectivity	Site-to-site IPsec VPN — HQ to Kampala, Lusaka and Abidjan
PSTN (HQ)	Existing E1/PRI trunk with a dedicated DID block (last three digits mapped to local extensions)
Headcount	220 across all sites

5. Target Architecture Requirements

Bidders shall propose a distributed-PBX, single-dial-plan architecture in which a primary PBX instance hosted at HQ Nairobi serves all four Kenyan sites as one logical system over the existing MPLS WAN, while Kampala, Lusaka and Abidjan each run their own smaller, independently licensed PBX instance for local PSTN breakout and survivability. All PBX instances shall be interconnected over the existing VPN using native PBX-to-PBX (multi-site linking) trunking, so that every site can dial every other site on a short internal extension, while the dial plan automatically routes external calls out through the trunk of the country the call is destined for.

5.1 Rationale for a Distributed Model

- Each subsidiary must present and receive calls on numbers issued by its own in-country telecom operator (Uganda, Zambia, Côte d'Ivoire); this requires a local SIP/PSTN trunk terminating locally rather than being backhauled through Nairobi.
- If the VPN link to a subsidiary goes down, that office's local PBX instance must continue making and receiving local/PSTN calls; only inter-office extension dialling should be affected.
- Voice traffic between a subsidiary caller and a local PSTN number must stay local, avoiding unnecessary WAN/VPN bandwidth consumption and latency.
- The architecture must allow new country offices to be added by deploying one additional linked PBX node and a local trunk, without re-architecting the Nairobi installation.

5.2 Required Node Summary

Site	Role	PBX Deployment Type	Approximate. Extensions	Local PSTN/Trunk
Nairobi HQ (Reinsurance Plaza)	Primary / Master node	Software-based virtual instance (self-hosted VM) in high availability /redundancy mode	180 (HQ + Upperhill + Anniversary + Kisumu via WAN)	Existing E1/PRI trunk via digital gateway
Kampala,	Linked node	On-Premise	10	Local SIP trunk from

Site	Role	PBX Deployment Type	Approximate. Extensions	Local PSTN/Trunk
Uganda		Appliance		Ugandan provider
Lusaka, Zambia	Linked node	On-Premise Appliance	14	Local SIP trunk from Zambian provider
Abidjan, Côte d'Ivoire	Linked node	On-Premise Appliance	16	Local SIP trunk from Ivorian provider

6. AI Receptionist and Call-Handling Feature Requirements

- A built-in, speech-driven AI receptionist / intelligent auto-attendant capable of understanding natural spoken requests (e.g. "connect me to claims") and routing the caller without forcing a purely numeric menu.
- AI-generated voicemail transcription and call summaries delivered to staff email and/or the unified-communications mobile/desktop app.
- Time-based and holiday routing configurable independently per country office, so that each subsidiary's local public holidays and business hours govern its own after-hours announcements independently of Nairobi.
- Optional integration with a third-party large-language-model-based conversational AI plugin for FAQ-style automated responses on the main HQ line.
- Call recording, queue/ring-group analytics, and a web/desktop client wallboard for the contact-handling team.

7. Endpoint Bill of Materials — Minimum Technical Specifications

Bidders shall propose desk-phone endpoints and a mobile softphone licence meeting, at minimum, the specifications below for each user group. Bidders must state the manufacturer, brand and exact model proposed against each line item, and provide a datasheet for each proposed model as an annexure to their technical proposal. All desk-phone endpoints must be natively supported and zero-touch auto-provisionable by the proposed PBX platform.

User Group	Qty	Minimum Required Specification
Managers / Executives (video-capable desk phone)	50	Executive-grade smart desk phone with adjustable touch-screen colour display; native two-way video calling (built-in or attachable camera); Gigabit PoE Ethernet; HD audio; must fully interoperate with the proposed PBX platform's auto-provisioning.

User Group	Qty	Minimum Required Specification
Reception Desks	8	Business-class IP phone with minimum 7-inch rotatable IPS touch-screen; integrated video calling; dual-band Wi-Fi (2.4G & 5G, Wi-Fi 6 preferred); Bluetooth 5.x; supplied with a compatible expansion/sidecar module and full mounting accessories for busy-line/attendant use.
General Staff (colour-screen desk phone)	147	Enterprise-grade IP phone with minimum 7-inch capacitive touch-screen supporting at least 100 programmable line/BLF keys; minimum 16 SIP registrations; HD audio with wide-band codec support (e.g. Opus); built-in Bluetooth and Wi-Fi; Gigabit Ethernet with PoE; supported headset (EHS) interface; capable of integration with IP video door-phones/cameras where required.
Security / Non-office Staff	12	Basic-level IP phone with minimum 2.4-inch colour screen (320×240 or better); minimum 4 SIP line registrations; HD voice; minimum 6-way local audio conferencing; Wi-Fi (Wi-Fi 6 preferred) and Bluetooth 5.x support desirable.
Mobile / Field Staff (softphone only)	50	Licensed mobile softphone application (iOS & Android) presenting the user's office extension on a smartphone with call control, transfer, voicemail retrieval, presence status and instant messaging/chat, fully integrated with the proposed PBX platform.
Special use phone	3	Special use case for People with visual impairment.

8. Licensing Requirements

Licence / Component	Applies To	Notes
PBX System base licence	Each PBX node (HQ + 3 subsidiaries, + future sites)	Must include core call control, IVR, queuing and conferencing for the node's required port/extension count.
Top-tier / unlimited feature licence (per extension)	All 220 extensions (with headroom for growth)	Must unlock AI-assisted receptionist/auto-attendant, mobile & desktop UC client apps, video conferencing, call recording, and CRM/Teams/Outlook-type integrations.
Multi-site / PBX-linking licence	All nodes	Must allow multiple independent PBX systems to be joined into a single internal numbering plan with short-extension dialling between sites.
Digital trunk gateway licence	HQ E1/PRI termination	One-time hardware purchase preferred; no recurring SaaS fee.

9. Call Billing and Cost Management Requirements

With four (rising to up to eight) PSTN-facing sites operating in different national currencies, Kenya Re requires visibility into call cost by site, department and extension, and a mechanism to recover/allocate telephony spend.

9.1 Native Call Billing (Mandatory Baseline)

- Each PBX node (HQ and every subsidiary) must include a built-in call billing module supporting per-trunk and per-destination-prefix rate tables, free-minute allowances, minimum charge duration, and per-second/per-minute billing increments.
- Each country's PBX instance must be configurable in its own local currency (Kenyan Shilling at HQ, Ugandan Shilling in Kampala, Zambian Kwacha in Lusaka, CFA Franc (XOF) in Abidjan) using local carrier rate cards, so reported costs match actual invoices from the respective national telecom operators.
- Internal extension-to-extension and inter-office (linked-PBX) calls must be automatically tagged as zero-cost, so that reports clearly separate genuine PSTN spend from free on-net traffic between Kenya Re sites.
- The platform must capture detailed Call Detail Records (CDR) — caller, callee, extension owner, department (via extension grouping), trunk used, duration and computed cost — exportable to CSV/Excel, and forwardable to a syslog destination for retention.
- The platform must provide built-in dashboards and scheduled reports (daily/weekly/monthly, emailed automatically) showing top callers, costliest destinations, and trunk utilisation per site, without requiring any licensing beyond the per-extension licence already specified herein.

9.2 Consolidated Multi-Site Reporting

- A central management console must aggregate status and call statistics from HQ and all subsidiary nodes into a single console, giving Nairobi finance one point from which to pull cost summaries across countries without logging into each PBX individually.
- The proposed solution must support a monthly consolidated cost report combining the per-PBX CDR exports (one per currency) into a single spreadsheet for group-wide telephony expense reporting.

10. Network and Quality-of-Service (QoS) Requirements

- The bidder shall design for and validate voice VLANs and DSCP/802.1p QoS marking (Expedited Forwarding for RTP media, Class Selector 3 for SIP signalling) on the MPLS WAN and at each LAN switch port serving an IP phone.
- The bidder shall size WAN/VPN bandwidth for the expected concurrent call volume per site, budgeting approximately 100 kbps per call for the G.711 codec, or approximately 30–40 kbps per call for the G.729 codec, plus overhead.
- The bidder shall confirm and document the firewall/VPN policies required to permit SIP signalling (UDP/TCP ports 5060/5061) and RTP media ranges between HQ and each subsidiary's PBX instance, and from each PBX instance to its local carrier's session border controller.
- The bidder shall confirm Power-over-Ethernet (PoE) switching capacity at each site sufficient to power all supplied IP phones without separate power adapters and shall flag any switch upgrades required.

11. Migration Approach Requirements

1. Stand up the HQ software-based PBX virtual instance and digital trunk gateway in parallel with the live legacy platform, and port a test DID range first.
2. Provision and pilot the proposed handsets for a small user group (e.g. IT and one reception desk) to validate call quality, busy-lamp-field (BLF) functionality and video calling before wider rollout.
3. Cut over the Nairobi sites (HQ, Upperhill, Anniversary Towers, Kisumu) onto the HQ PBX instance over the MPLS WAN, retiring the legacy platform and handsets in phases per floor/department.
4. Deploy subsidiary PBX nodes in Kampala, Lusaka and Abidjan, port or newly assign local DIDs, then enable multi-site linking to HQ for unified extension dialling.
5. Roll out the mobile softphone application to the 50 designated mobile-extension users and train reception staff on the BLF console.
6. Reserve extension blocks and document trunk requirements for to other regional and or international offices ahead of each office opening, so that each new site is simply an additional linked PBX node.

KENYA REINSURANCE CORPORATION LIMITED

SUPPLY, DELIVERY, INSTALLATION, CONFIGURATION, TESTING, COMMISSIONING AND SUPPORT OF A UNIFIED IP TELEPHONY / UNIFIED COMMUNICATIONS SOLUTION
TENDER NO. KRC/2026/2897/422

SITE VISIT CLEARANCE CERTIFICATE

This is to certify that M/s Company Name:._____ have visited, inspected and

verified the scope of works at **Kenya Reinsurance – HQ.**

KENYA RE REPRESENTATIVE

NO.	STATION	NAME OF KENYA RE REPRESENTATIVE	SIGN & STAMP	DATE OF VISIT
1.	**Reinsurance Plaza,** L.R NUMBER 209/8770 on Taifa Road, CBD Nairobi			27th OCTOBER 2026 -10:00am

Note: This clearance is valid only when **all** sites have been signed and stamped by a Kenya Re representatives at the respective sites.

Section VI - General Conditions of Contract

General Conditions of Contract

A. CONTRACT AND INTERPRETATION

1. Definitions

1.1 In this Contract, the following terms shall be interpreted as indicated below.

a) Contract Elements

i) "Contract" means the Contract Agreement entered into between the Procuring Entity and the Supplier, together with the Contract Documents referred to therein. The Contract Agreement and the Contract Documents shall constitute the Contract, and the term "the Contract" shall in all such documents be construed accordingly.

ii) "Contract Documents" means the documents specified in Article1.1(Contract Documents) of the Contract Agreement (including any amendments to these Documents).

iii) "Contract Agreement" means the agreement entered into between the Procuring Entity and the Supplier using the form of Contract Agreement contained in the Sample Contractual Forms Section of the tender documents and any modifications to this form agreed to by the Procuring Entity and the Supplier. The date of the Contract Agreement shall be recorded in the signed form.

iv) "GCC" means the General Conditions of Contract.

v) "SCC" means the Special Conditions of Contract.

vi) "Technical Requirements" means the Technical Requirements in Section VII of the tendering documents.

vii) "Implementation Schedule" means the Implementation Schedule in Section VII of the tendering documents.

viii) "Contract Price" means the price or prices defined in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement.

ix) "Procurement Regulations" refers to the Regulations issued under the Public Procurement and Asset Disposal Act (2015).

x) "tendering documents" refers to the collection of documents issued by the Procuring Entity to instruct and inform potential suppliers of the processes for tendering, selection of the winning tender, and Contract formation, as well as the contractual conditions governing the relationship between the Procuring Entity and the Supplier. The General and Special Conditions of Contract, the Technical Requirements, and all other documents included in the tendering documents reflect the Procurement Regulations that the Procuring Entity is obligated to follow during procurement and administration of this Contract.

b) Entities

i) "Procuring Entity" means the entity purchasing the Information System, as **specified in the SCC.**

ii) "Project Manager" means the person **named as such in the SCC** or otherwise appointed by the Procuring Entity in the manner provided in GCC Clause 18.1 (Project Manager) to perform the duties delegated by the Procuring Entity.

iii) "Supplier" means the firm or Joint Venture whose tender to perform the Contract has been accepted by the Procuring Entity and is named as such in the Contract Agreement.

iv) "Supplier's Representative" means any person nominated by the Supplier and named as such in the Contract Agreement or otherwise approved by the Procuring Entity in the manner provided in GCC Clause18.2 (Supplier's Representative) to perform the duties delegated by the Supplier.

v) "Subcontractor" means any firm to whom any of the obligations of the Supplier, including preparation of any design or supply of any Information Technologies or other Goods or Services, is subcontracted directly or indirectly by the Supplier.

vi) "Adjudicator" means the person named in Appendix 2 of the Contract Agreement, appointed by agreement between the Procuring Entity and the Supplier to make a decision on or to settle any Dispute between the Procuring Entity and the Supplier referred to him or her by the parties, pursuant to GCC Clause 43.1 (Adjudication).

c) Scope

i) "Information System," also called "the System," means all the Information Technologies, Materials, and other Goods to be supplied, installed, integrated, and made operational (exclusive of the Supplier's Equipment), together with the Services to be carried out by the Supplier under the Contract.

ii) "Subsystem" means any subset of the System identified as such in the Contract that may be supplied, installed, tested, and commissioned individually before Commissioning of the entire System.

iii) "Information Technologies" means all information processing and communications-related hardware, Software, supplies, and consumable items that the Supplier is required to supply and install under the Contract.

iv) "Goods" means all equipment, machinery, furnishings, Materials, and other tangible items that the Supplier is required to supply or supply and install under the Contract, including, without limitation, the Information Technologies and Materials, but excluding the Supplier's Equipment.

v) "Services" means all technical, logistical, management, and any other Services to be provided by the Supplier under the Contract to supply, install, customize, integrate, and make operational the System. Such Services may include, but are not restricted to, activity management and quality assurance, design, development, customization, documentation, transportation, insurance, inspection, expediting, site preparation, installation, integration, training, data migration, Pre- commissioning, Commissioning, maintenance, and technical support.

vi) "The Project Plan" means the document to be developed by the Supplier and approved by the Procuring Entity, pursuant to GCC Clause 19, based on the requirements of the Contract and the Preliminary Project Plan included in the Supplier's tender. The "Agreed Project Plan" is the version of the Project Plan approved by the Procuring Entity, in accordance with GCC Clause 19.2. Should the Project Plan conflict with the Contract in any way, the relevant provisions of the Contract, including any amendments, shall prevail.

vii) "Software" means that part of the System which are instructions that cause information processing Sub systems to perform in a specific manner or execute specific operations.

viii) "System Software" means Software that provides the operating and management instructions for the underlying hardware and other components and is identified as such in Appendix 4 of the Contract Agreement and such other Software as the parties may agree in writing to be Systems Software. Such System Software includes, but is not restricted to, micro-code embedded in hardware (i.e., "firmware"), operating systems, communications, system and network management, and utility software.

ix) "General-Purpose Software" means Software that supports general-purpose office and software development activities and is identified as such in Appendix 4 of the Contract Agreement and such other Software as the parties may agree in writing to be General-Purpose Software. Such General- Purpose Software may include, but is not restricted to, word processing, spreadsheet, generic database management, and application development software.

x) "Application Software" means Software formulated to perform specific business or technical functions and interface with the business or technical users of the System and is identified as such in Appendix4 of the Contract Agreement and such other Software as the parties may agree in writing to be Application Software.

xi) "Standard Software" means Software identified as such in Appendix 4 of the Contract Agreement and such other Software as the parties may agree in writing to be Standard Software.

xii) "Custom Software" means Software identified as such in Appendix 4 of the Contract Agreement and such other Software as the parties may agree in writing to be Custom Software.

xiii) "Source Code" means the database structures, dictionaries, definitions, program source files, and any other symbolic representations necessary for the compilation, execution, and subsequent maintenance of the Software (typically, but not exclusively, required for Custom Software).

xiv) "Materials" means all documentation in printed or printable form and all instructional and informational aides in any form (including audio, video, and text) and on any medium, provided to the Procuring Entity under the Contract.

xv) "Standard Materials" means all Materials not specified as Custom Materials.

xvi) "Custom Materials" means Materials developed by the Supplier at the Procuring Entity's expense under the Contract and identified as such in Appendix 5 of the Contract Agreement and such other Materials as the parties may agree in writing to be Custom Materials. Custom Materials includes Materials created from Standard Materials.

xvii) "Intellectual Property Rights" means any and all copyright, moral rights, trademark, patent, and other intellectual and proprietary rights, title and interests worldwide, whether vested, contingent, or future, including without limitation all economic rights and all exclusive rights to reproduce, fix, adapt, modify, translate, create derivative works from, extractor re-utilize data from, manufacture, introduce into circulation, publish, distribute, sell, license, sub license, transfer, rent, lease, transmit or provide access electronically, broadcast, display, enter in to computer memory, or otherwise use any portion or copy, in whole or in part, in any form, directly or indirectly, or to authorize or assign others to do so.

xviii) "Supplier's Equipment" means all equipment, tools, apparatus, or things of every kind required in or for installation, completion and maintenance of the System that are to be provided by the Supplier, but excluding the Information Technologies, or other items forming part of the System.

d) Activities

i) "Delivery" means the transfer of the Goods from the Supplier to the Procuring Entity in accordance with the current edition Incoterms specified in the Contract.

ii) "Installation" means that the System or a Subsystem as specified in the Contract is ready for Commissioning as provided in GCC Clause 26 (Installation).

iii) "Pre-commissioning" means the testing, checking, and any other required activity that

may be specified in the Technical Requirements that are to be carried out by the Supplier in preparation for Commissioning of the System as provided in GCC Clause 26 (Installation).

iv) "Commissioning" means operation of the System or any Subsystem by the Supplier following Installation, which operation is to be carried out by the Supplier as provided in GCC Clause27.1 (Commissioning), for the purpose of carrying out Operational Acceptance Test (s).

v) "Operational Acceptance Tests" means the tests specified in the Technical Requirements and Agreed Project Plan to be carried out to ascertain whether the System, or a specified Sub system, is able to attain the functional and performance requirements specified in the Technical Requirements and Agreed Project Plan, in accordance with the provisions of GCC Clause 27.2 (Operational Acceptance Test).

vi) "Operational Acceptance" means the acceptance by the Procuring Entity of the System (or any Subsystem(s) where the Contract provides for acceptance of the System in parts), in accordance with GCC Clause27.3(Operational Acceptance).

e) Place and Time

i) "Supplier's Country" is the country in which the Supplier is legally organized, as named in the Contract Agreement.

ii) **Unless otherwise specified in the SCC** "Project Site (s)" means the place (s) in the Site Table in the Technical Requirements Section for the supply and installation of the System.

iii) "Eligible Country" means the countries and territories eligible for participation in procurements.

iv) "Day" means calendar day of the Gregorian Calendar.

v) "Week" means seven (7) consecutive Days, beginning the day of the week as is customary in Kenya.

vi) "Month" means calendar month of the Gregorian Calendar.

vii) "Year" means twelve (12) consecutive Months.

viii) "Effective Date" means the date of fulfillment of all conditions specified in Article 3 (Effective Date for Determining Time for Achieving Operational Acceptance) of the Contract Agreement, for the purpose of determining the Delivery, Installation, and Operational Acceptance dates for the System or Sub system(s).

ix) "Contract Period" is the time period during which this Contract governs the relations and obligations of the Procuring Entity and Supplier in relation to the System, as **unless otherwise specified in the SCC,** the Contract shall continue in force until the Information System and all the Services have been provided, unless the Contract is terminated earlier in accordance with the terms set out in the Contract**.**

x) "Defect Liability Period" (also referred to as the "Warranty Period") means the period of validity of the warranties given by the Supplier commencing at date of the Operational Acceptance Certificate of the System or Sub system(s), during which the Supplier is responsible for defects with respect to the System (or the relevant Sub-system[s]) as provided in GCC Clause 29 (Defect Liability).

xi) "The Coverage Period" means the Days of the Week and the hours of those Days during which maintenance, operational, and/ or technical support services (if any) must be available.

xii) The Post-Warranty Services Period" means the number of years **defined in the SCC** (if any), following the expiration of the Warranty Period during which the Supplier may be obligated to provide Software licenses, maintenance, and/ or technical support services

for the System, either under this Contractor under separate contract(s).

2. *Contract Documents*

2.1 Subject to Article 1.2 (Order of Precedence) of the Contract Agreement, all documents forming part of the Contract (and all parts of these documents) are intended to be correlative, complementary, and mutually explanatory. The Contract shall be read as a whole.

3. *Interpretation*

3.1 Governing Language

3.1.1 All Contract Documents and related correspondence exchanged between Procuring Entity and Supplier shall be written in **the English Language** of these tendering documents**,** and the Contract shall be construed and interpreted in accordance with that language.

3.1.2 If any of the Contract Documents or related correspondence are prepared in a language other than the English Language under GCC Clause 3.1.1 above, the translation of such documents into the **English** language shall prevail in matters of interpretation. The originating party, with respect to such documents shall bear the costs and risks of such translation.

3.2 Singular and Plural The singular shall include the plural and the plural the singular, except where the context otherwise requires.

3.3 **Headings**
The headings and marginal notes in the GCC are included for ease of reference and shall neither constitute a part of the Contract nor affect its interpretation.

3.4 Persons
Words importing persons or parties shall include firms, corporations, and government entities.

3.5 Incoterms
Unless inconsistent with any provision of the Contract, the meaning of any trade term and the rights and obligations of parties thereunder shall be as prescribed by the Incoterms.

Incoterms means international rules for interpreting trade terms published by the International Chamber of Commerce (latest edition), 38 Cours Albert 1er, 75008 Paris, France.

3.6 Entire Agreement
The Contract constitutes the entire agreement between the Procuring Entity and Supplier with respect to the subject matter of Contract and supersedes all communications, negotiations, and agreements (whether written or oral) of parties with respect to the subject matter of the Contract made prior to the date of Contract.

3.7 Amendment
No amendment or other variation of the Contract shall be effective unless it is in writing, is dated, expressly refers to the Contract, and is signed by a duly authorized representative of each party to the Contract.

3.8 Independent Supplier
The Supplier shall be an independent contractor performing the Contract. The Contract does not create any agency, partnership, joint venture, or other joint relationship between the parties to the Contract.

Subject to the provisions of the Contract, the Supplier shall be solely responsible for the manner in which the Contract is performed. All employees, representatives, or Sub contractors engaged by the Supplier in connection with the performance of the Contract shall be under the complete control of

the Supplier and shall not be deemed to be employees of the Procuring Entity, and nothing contained in the Contractor in any sub contract awarded by the Supplier shall be construed to create any contractual relationship between any such employees, representatives, or Sub contractors and the Procuring Entity.

3.9 Joint Venture

If the Supplier is a Joint Venture of two or more firms, all such firms shall be jointly and severally bound to the Procuring Entity for the fulfilment of the provisions of the Contract and shall designate one of such firms to act as a leader with authority to bind the Joint Venture. The composition or constitution of the Joint Venture shall not be altered without the prior consent of the Procuring Entity.

3.10 Non-waiver

3.10.1 Subject to GCC Clause 3.10.2 below, no relaxation, forbearance, delay, or indulgence by either party in enforcing any of the terms and conditions of the Contractor the granting of time by either party to the other shall prejudice, affect, or restrict the rights of that party under the Contract, nor shall any waiver by either party of any breach of Contract operate as waiver of any subsequent or continuing breach of Contract.

3.10.2 Any waiver of a party's rights, powers, or remedies under the Contract must be in writing, must be dated and signed by an authorized representative of the party granting such waiver, and must specify the right and the extent to which it is being waived.

3.11 Severability

If any provision or condition of the Contract is prohibited or rendered invalid or unenforceable, such prohibition, invalidity, or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of the Contract.

3.12 Country of Origin

"Origin" means the place where the Information Technologies, Materials, and other Goods for the System were produced or from which the Services are supplied. Goods are produced when, through manufacturing, processing, Software development, or substantial and major assembly or integration of components, a commercially recognized product results that is substantially different in basic characteristics or in purpose or utility from its components. The Origin of Goods and Services is distinct from the nationality of the Supplier and may be different.

4. Notices

4.1 Unless otherwise stated in the Contract, all notices to be given under the Contract shall be in writing and shall be sent, pursuant to GCC Clause 4.3 below, by personal delivery, air mail post, special courier, facsimile, electronic mail, or Electronic Data Interchange (EDI), with the following provisions.

4.2 Any notice sent by facsimile, electronic mail, or EDI shall be confirmed within two (2) days after dispatch by notice sent by air mail post or special courier, except as otherwise specified in the Contract.

4.2.1 Any notice sent by air mail post or special courier shall be deemed (in the absence of evidence of earlier receipt) to have been delivered ten (10) days after dispatch. In proving the fact of dispatch, it shall be sufficient to show that the envelope containing such notice was properly addressed, stamped, and conveyed to the postal authorities or courier service for transmission by air mail or special courier.

4.2.2 Any notice delivered personally or sent by facsimile, electronic mail, or EDI shall be deemed to have been delivered on the date of its dispatch.

4.2.3 Either party may change its postal, facsimile, electronic mail, or EDI addresses for receipt of such notices by ten (10) days' notice to the other party in writing.

4.3 Notices shall be deemed to include any approvals, consents, instructions, orders, certificates, information and other communication to be given under the Contract.

4.4 Pursuant to GCC Clause 18, notices from/to the Procuring Entity are normally given by, or addressed to, the Project Manager, while notices from/to the Supplier are normally given by, or addressed to, the Supplier's Representative, or in its absence its deputy if any. If there is no appointed Project Manager or Supplier's Representative (or deputy), or if their related authority is limited by the SCC for GCC Clauses 18.1 or 18.2.2, or for any other reason, the Procuring Entity or Supplier may give and receive notices at their fall back addresses. The address of the Project Manager and the fall back address of the Procuring Entity are as **specified in the SCC** or as subsequently established/ amended. The address of the Supplier's Representative and the fall back address of the Supplier are as specified in Appendix 1 of the Contract Agreement or as subsequently established/amended.

5. Governing Law

5.1 The Contract shall be governed by and interpreted in accordance with the laws of Kenya.

5.2 Throughout the execution of the Contract, the Supplier shall comply with the import of goods and services prohibitions in Kenya when

a As a matter of law or official regulations, Kenya prohibits commercial relations with that country; or

b by an act of compliance with a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, Kenya prohibits any import of goods from that country or any payments to any country, person, or entity in that country.

6 Fraud and Corruption

6.1 The Procuring Entity requires compliance with the laws of Kenya on Anti-Corruption Guidelines and its prevailing sanctions policies and procedures as set forth in its statutes.

6.2 The Procuring Entity requires the Suppliers to disclose any commissions or fees that may have been paid or are to be paid to agents or any other party with respect to the tendering process or execution of the Contract. The information disclosed must include at least the name and address of the agent or other party, the amount and currency, and the purpose of the commission, gratuity or fee.

B. SUBJECT MATTER OF CONTRACT

7 Scope of the System

7.1 Unless otherwise expressly **limited in the SCC** or Technical Requirements, the Supplier's obligations cover the provision fall Information Technologies, Materials and other Goods as well as the performance of all Services required for the design, development, and implementation (including procurement, quality assurance, assembly, associated site preparation, Delivery, Pre-commissioning, Installation, Testing, and Commissioning) of the System, in accordance with the plans, procedures, specifications, drawings, codes, and any other documents specified in the Contract and the Agreed Project Plan.

7.2 The Supplier shall, unless specifically excluded in the Contract, perform all such work and/or supply all such items and Materials not specifically mentioned in the Contract but that can be reasonably

inferred from the Contract as being required for attaining Operational Acceptance of the System as if such work and/or items and Materials were expressly mentioned in the Contract.

7.3 The Supplier's obligations (if any) to provide Goods and Services as implied by the Recurrent Cost tables of the Supplier's tender, such as consumables, spare parts, and technical services (e.g., maintenance, technical assistance, and operational support), areas **specified in the SCC,** including the relevant terms, characteristics, and timings.

8 Time for Commencement and Operational Acceptance

8.1 The Supplier shall commence work on the System with in the period **specified in the SCC,** and without prejudice to GCC Clause 28.2, the Supplier shall there after proceed with the System in accordance with the time schedule specified in the Implementation Schedule and any refinements made in the Agreed Project Plan.

8.2 The Supplier shall achieve Operational Acceptance of the System (or Subsystem(s) where a separate time for Operational Acceptance of such Sub system (s) is specified in the Contract) in accordance with the time schedule specified in the Implementation Schedule and any refinements made in the Agreed Project Plan, or within such extended time to which the Supplier shall be entitled under GCC Clause 40 (Extension of Time for Achieving Operational Acceptance).

9 Supplier's Responsibilities

9.1 The Supplier shall conduct all activities with due care and diligence, in accordance with the Contract and with the skill and care expected of a competent provider of information technologies, information systems, support, maintenance, training, and other related services, or in accordance with best industry practices. In particular, the Supplier shall provide and employ only technical personnel who are skilled and experienced in the irrespective callings and supervisory staff who are competent to adequately supervise the work at hand.

9.2 The Supplier confirms that it has entered into this Contract on the basis of a proper examination of the data relating to the System provided by the Procuring Entity and on the basis of information that the Supplier could have obtained from a visual inspection of the site (if access to the site was available) and of other data readily available to the Supplier relating to the System as at the date twenty-eight (28) days prior to tender submission. The Supplier acknowledges that any failure to acquaint itself with all such data and information shall not relieve its responsibility for properly estimating the difficulty or cost of successfully performing the Contract.

9.3 The Supplier shall be responsible for timely provision of all resources, information, and decision making under its control that are necessary to reach a mutually Agreed Project Plan (pursuant to GCC Clause 19.2) within the time schedule specified in the Implementation Schedule. Failure to provide such resources, information, and decision-making may constitute grounds for termination pursuant to GCC Clause 41.2.

9.4 The Supplier shall acquire in its name all permits, approvals, and/or licenses from all local, state, or national government authorities or public service undertakings in Kenya that are necessary for the performance of the Contract, including, without limitation, visas for the Supplier's and Subcontractor's personnel and entry permits for all imported Supplier's Equipment. The Supplier shall acquire all other permits, approvals, and/or licenses that are not the responsibility of the Procuring Entity under GCC Clause 10.4 and that are necessary for the performance of the Contract.

9.5 The Supplier shall comply with all laws in force in Kenya. The laws will include all national, provincial, municipal, or other laws that affect the performance of the Contract and are binding upon the Supplier. The Supplier shall indemnify and hold harmless the Procuring Entity from and against any and all liabilities, damages, claims, fines, penalties, and expenses of whatever nature a rising or resulting from the violation of such laws by the Supplier or its personnel, including the Sub contractors and their personnel, but without prejudice to GCC Clause 10.1. The Supplier shall not indemnify the Procuring Entity to the extent that such liability, damage, claims, fines, penalties, and

expenses were caused or contributed to by a fault of the Procuring Entity.

9.6 The Supplier shall, in all dealings with its labor and the labor of its Subcontractors currently employed on or connected with the Contract, pay due regard to all recognized festivals, official holidays, religious or other customs, and all local laws and regulations pertaining to the employment of labor.

9.7 Any Information Technologies or other Goods and Services that will be incorporated in or be required for the System and other supplies shall have their Origin, as defined in GCC Clause 3.12, in a country that shall be an Eligible Country, as defined in GCC Clause 1.1 (e) (iv).

9.8 Pursuant to paragraph 2.2e. of Appendix B to the General Conditions the Supplier shall permit and shall cause its subcontractors and sub-consultants to permit, the PPRA and/or persons appointed by the PPRA to inspect the Site and/or the accounts and records relating to the procurement process, selection and/or contract execution, and to have such accounts and records audited by auditors appointed by the PPRA if requested by the PPRA. The Supplier's and its Sub contractors' and sub-consultants' attention is drawn to Sub-Clause 6.1 which provides, inter alia, that acts intended to materially impede the exercise of the PPRA's inspection and audit rights constitute a prohibited practice subject to contract termination (as well as to a determination of in eligibility pursuant to the PPRA's prevailing sanctions procedures).

9.9 The Supplier shall conform to the sustainable procurement contractual provisions, if and as **specified in the SCC.**

9.10 **Unless otherwise specified in the SCC** the Supplier shall have no other Supplier responsibilities.

10 Procuring Entity's Responsibilities

10.1 The Procuring Entity shall ensure the accuracy of all information and/or data to be supplied by the Procuring Entity to the Supplier, except when otherwise expressly stated in the Contract.

10.2 The Procuring Entity shall be responsible for timely provision of all resources, information, and decision making under its control that are necessary to reach an Agreed Project Plan (pursuant to GCC Clause 19.2) within the time schedule specified in the Implementation Schedule. Failure to provide such resources, information, and decision making may constitute grounds for Termination pursuant to GCC Clause 41.3.1(b).

10.3 The Procuring Entity shall be responsible for acquiring and providing legal and physical possession of the site and access to it, and for providing possession of and access to all other are as reasonably required for the proper execution of the Contract.

10.4 If requested by the Supplier, the Procuring Entity shall use its best endeavors to assist the Supplier in obtaining in a timely and expeditious manner all permits, approvals, and/or licenses necessary for the execution of the Contract from all local, state, or national government authorities or public service undertakings that such authorities or under takings require the Supplier or Sub contractors or the personnel of the Supplier or Sub contractors, as the case may be, to obtain.

10.5 In such cases where the responsibilities of specifying and acquiring or upgrading telecommunications and/or electric power services falls to the Supplier, as specified in the Technical Requirements, SCC, Agreed Project Plan, or other parts of the Contract, the Procuring Entity shall use its best endeavors to assist the Supplier in obtaining such services in a timely and expeditious manner.

10.6 The Procuring Entity shall be responsible for timely provision of all resources, access, and information necessary for the Installation and Operational Acceptance of the System (including, but not limited to, any required telecommunications or electric power services), as identified in the Agreed Project Plan, except where provision of such items is explicitly identified in the Contract as being the responsibility of the Supplier. Delay by the Procuring Entity may result in an appropriate extension

of the Time for Operational Acceptance, at the Supplier's discretion.

10.7 Unless otherwise specified in the Contractor agreed upon by the Procuring Entity and the Supplier, the Procuring Entity shall provide sufficient, properly qualified operating and technical personnel, as required by the Supplier to properly carry out Delivery, Pre-commissioning, Installation, Commissioning, and Operational Acceptance, at or before the time specified in the Implementation Schedule and the Agreed Project Plan.

10.8 The Procuring Entity will designate appropriate staff for the training courses to be given by the Supplier and shall make all appropriate logistical arrangements for such training as specified in the Technical Requirements, SCC, the Agreed Project Plan, or other parts of the Contract.

10.9 The Procuring Entity assumes primary responsibility for the Operational Acceptance Test (s) for the System, in accordance with GCC Clause 27.2, and shall be responsible for the continued operation of the System after Operational Acceptance. However, this shall not limit in anyway the Supplier's responsibilities after the date of Operational Acceptance otherwise specified in the Contract.

10.10 The Procuring Entity is responsible for performing and safely storing timely and regular backups of its data and Software in accordance with accepted data management principles, except where such responsibility is clearly assigned to the Supplier elsewhere in the Contract.

10.11 All costs and expenses involved in the performance of the obligations under this GCC Clause 10 shall be the responsibility of the Procuring Entity, save those to be incurred by the Supplier with respect to the performance of the Operational Acceptance Test (s), in accordance with GCC Clause 27.2.

10.12 **Unless otherwise specified in the SCC** the Procuring Entity shall have no other Procuring Entity responsibilities.

C. Payment

11 Contract Price

11.1 The Contract Price shall be as specified in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement.

11.2 Unless an adjustment clause is **provided for in the SCC,** the Contract Price shall be a firm lump sum not subject to any alteration, except in the event of a Change in the System pursuant to GCC Clause 39 or to other clauses in the Contract;

11.3 The Supplier shall be deemed to have satisfied itself as to the correctness and sufficiency of the Contract Price, which shall, except as otherwise provided for in the Contract, cover all its obligations under the Contract.

11.4 Where the contract price is different from the corrected tender price, in order to ensure the contractor is not paid less or more relative to the contract price (*which would be the tender price*), payment valuation certificates and variation orders on omissions and additions valued based on rates in the Bill of Quantities or schedule of rates in the Tender, will be adjusted by a plus or minus percentage. The percentage already worked out during tender evaluation is worked out as follows: *(corrected tender price–tender price)/ tender price X 100*.

12 Terms of Payment

12.1 The Supplier's request for payment shall be made to the Procuring Entity in writing, accompanied by an invoice describing, as appropriate, the System or Subsystem(s), Delivered, Pre-commissioned, Installed, and Operationally Accepted, and by documents submitted pursuant to GCC Clause 22.5 and upon fulfilment of other obligations stipulated in the Contract. The Contract Price shall be paid

as **specified in the SCC.**

12.2 No payment made by the Procuring Entity herein shall be deemed to constitute acceptance by the Procuring Entity of the System or any Sub system (s).

12.3 Payments shall be made promptly by the Procuring Entity, but in no case later than (sixty (60) days after submission of a valid invoice and upon satisfactorily performance of the contractual obligations by the Supplier. In the event that the Procuring Entity fails to make any payment by its respective due date or within the period set forth in the Contract, the Procuring Entity shall pay to the Supplier interest on the amount of such delayed payment at the rate (s) **specified in the SCC** for the period of delay until payment has been made in full, whether before or after judgment or arbitration award.

12.4 Payments shall be made in the currency (ies) specified in the Contract Agreement, pursuant to GCC Clause 11. For Goods and Services supplied locally, payments shall be made **as specified in the SCC.**

12.5 **Unless otherwise specified in the SCC,** payment of the foreign currency portion of the Contract Price for Goods supplied from outside Kenya shall be made to the Supplier through an irrevocable Form of credit opened by an authorized bank in the Supplier's Country and will be payable on presentation of the appropriate documents. It is agreed that the Form of credit will be subject to Article10 of the latest revision of *Uniform Customs and Practice for Documentary Credits*, published by the International Chamber of Commerce, Paris.

13 Securities

13.1 **Issuance of Securities**

The Supplier shall provide the securities specified below in favor of the Procuring Entity at the times and in the amount, manner, and form specified below.

13.2 Advance Payment Security

a) Unless otherwise specified in the SCC, the Supplier shall provide within twenty-eight (28) days of the notification of Contract award an Advance Payment Security in the amount and currency of the Advance Payment specified in SCC for GCC Clause 12.1 above and valid until the System is Operationally Accepted.

b) The security shall be in the form provided in the tendering documents or in another form acceptable to the Procuring Entity. The amount of the security shall be reduced in proportion to the value of the System executed by and paid to the Supplier from time to time and shall automatically become null and void when the full amount of the advance payment has been recovered by the Procuring Entity. **Unless otherwise specified in the SCC,** the reduction in value and expiration of the Advance Payment Security are calculated as follows:

P*a/(100-a), where "P" is the sum of all payments effected so far to the Supplier (excluding the Advance Payment), and "a" is the Advance Payment expressed as a percentage of the Contract Price pursuant to the SCC for GCC Clause12.1.

The security shall be returned to the Supplier immediately after its expiration.

13.3 Performance Security

a) The Supplier shall, within twenty-eight (28) days of the notification of Contract award, provide a security for the due performance of the Contract in the amount and currency **specified in the SCC**.

b) The security shall be a bank guarantee in the form provided in the Sample Contractual Forms Section of the tendering documents, or it shall be in another form acceptable to the Procuring Entity.

c) The security shall automatically become null and void once all the obligations of the Supplier under the Contract have been fulfilled, including, but not limited to, any obligations during the Warranty Period and any extensions to the period. The security shall be returned to the Supplier no later than twenty-eight (28) days after its expiration.

d) Upon Operational Acceptance of the entire System, the security shall be reduced to the amount **specified in the SCC,** on the date of the Operational Acceptance, so that the reduced security would only cover the remaining warranty obligations of the Supplier.

14 Taxes and Duties

14.1 For Goods or Services supplied from outside and inside Kenya, the Supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside Kenya and inside Kenya, and these duties or taxes shall be made part of the Contract Price in Article 2 of the Contract Agreement and the Price Schedule it refers to, in which case the duties and taxes will be the Supplier's responsibility.

14.2 For Goods or Services supplied locally, the Supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted Goods or Services to the Procuring Entity. The only exception are taxes or duties, such as value-added or sales tax or stamp duty as apply to, or are clearly identifiable, on the invoices and provided they apply in Kenya, and only if these taxes, levies and/or duties are also excluded from the Contract Price in Article 2 of the Contract Agreement and the Price Schedule it refers to.

14.3 If any tax exemptions, reductions, allowances, or privileges may be available to the Supplier in Kenya, the Procuring Entity shall use its best efforts to enable the Supplier to benefit from any such tax savings to the maximum allowable extent.

14.4 For the purpose of the Contract, it is agreed that the Contract Price specified in Article 2 (Contract Price and Terms of Payment) of the Contract Agreement is based on the taxes, duties, levies, and charges prevailing at the date twenty-eight (28) days prior to the date of tender submission in Kenya (also called "Tax" in this GCC Clause 14.4). If any Tax rates are increased or decreased, a new Tax is introduced, an existing Tax is abolished, or any change in interpretation or application of any Tax occurs in the course of the performance of the Contract, which was or will be assessed on the Supplier, its Sub contractors, or their employees in connection with performance of the Contract, an equitable adjustment to the Contract Price shall be made to fully take into account any such change by addition to or reduction from the Contract Price, as the case may be.

D. Intellectual Property

15 Copyright

15.1 The Intellectual Property Rights in all Standard Software and Standard Materials shall remain vested in the owner of such rights.

15.2 The Procuring Entity agrees to restrict use, copying, or duplication of the Standard Software and Standard Materials in accordance with GCC Clause16, except that additional copies of Standard Materials may be made by the Procuring Entity for use within the scope of the project of which the System is apart, in the event that the Supplier does not deliver copies within thirty (30) days from receipt of a request for such Standard Materials.

15.3 The Procuring Entity's contractual rights to use the Standard Software or elements of the Standard Software may not be assigned, licensed, or otherwise transferred voluntarily except in accordance

with the relevant license agreement or **unless otherwise specified in the SCC** to a legally constituted successor organization (e.g., a reorganization of a public entity formally authorized by the government or through a merger or acquisition of a private entity)**.**

15.4 **Unless otherwise specified in the SCC,** the Intellectual Property Rights in all Custom Software and Custom Materials specified in Appendices 4 and 5 of the Contract Agreement (if any) shall, at the date of this Contractor on creation of the rights (if later than the date of this Contract), vest in the Procuring Entity. The Supplier shall do and execute or arrange for the doing and executing of each necessary act, document, and thing that the Procuring Entity may consider necessary or desirable to perfect the right, title, and interest of the Procuring Entity in and to those rights. In respect of such Custom Software and Custom Materials, the Supplier shall ensure that the holder of am or alright in such an item does not assert it, and the Supplier shall, if requested to do so by the Procuring Entity and where permitted by applicable law, ensure that the holder of such a moral right waives it.

15.5 **Unless otherwise specified in the SCC**, escrow arrangements shall NOT be required.

16 Software License Agreements

16.1 Except to the extent that the Intellectual Property Rights in the Software vest in the Procuring Entity, the Supplier here by grants to the Procuring Entity license to access and use the Software, including all inventions, designs, and marks embodied in the Software.
Such license to access and use the Software shall:

a) be:
   i. non-exclusive;
   ii. fully paid up and irrevocable (except that it shall terminate if the Contract terminates under GCC Clauses 41.1 or 41.3);
   iii. **unless otherwise specified in the SCC** valid throughout Kenya;
   iv. **unless otherwise specified in the SCC subject** to NO additional restrictions.

b) Permit the Software to be:

i. used or copied for use on or with the computer(s) for which it was acquired (if specified in the Technical Requirements and/or the Supplier's tender), plus a backup computer(s) of the same or similar capacity, if the primary is (are) in operative, and during a reasonable transitional period when use is being transferred between primary and back up;

ii. used or copied for use on or transferred to are placement computer (s), (and use on the original and replacement computer(s) may be simultaneous during a reasonable transitional period) provided that, if the Technical Requirements and/or the Supplier's tender specifies a class of computer to which the license is restricted, the replacement computer (s) is (are) within that class;

iii. if the nature of the System is such as to permit such access, accessed from other computers connected to the primary and/or back up computer (s) by means of a local or wide-area network or similar arrangement, and used on or copied for use on those other computers to the extent necessary to that access;

iv. reproduced for safe keeping or back up purposes;

v. customized, adapted, or combined with other computer software for use by the Procuring Entity, provided that derivative software incorporating any substantial part of the delivered, restricted Software shall be subject to same restrictions as a reset forth in this Contract;

vi. **unless otherwise specified in the SCC,** disclosed to, and reproduced for use by, support service suppliers and their sub-contractors, (and the Procuring Entity may sub-license such persons to use and copy for use the Software) to the extent reasonably necessary to the performance of their support service contracts, subject to the same restrictions as a reset forth in this Contract; and

vii. **unless otherwise specified in the SCC** disclosed to, and reproduced for use by, NO other parties.

16.2 TheSupplierhastherighttoauditTheStandardSoftwaretoverifycompliancewiththeabovelicenseagreements .

Unless otherwise specified in the SCC, the Procuring Entity will make available to the Supplier, within seven
(7) days of a written request, accurate and up-to-date records of the number and location of copies, the number of authorized users, or any other relevant data required to demonstrate use of the Standard Software as per the license agreement. If and only if, expressly agreed in writing between the Procuring Entity and the Supplier, Procuring Entity will allow, under a pre-specified agreed procedure, the execution of embedded software functions under Supplier's control, and unencumbered transmission of resulting information on software usage.

17 Confidential Information

17.1 **Unless otherwise specified in the SCC,** the" Receiving Party" (either the Procuring Entity or the Supplier) shall keep confidential and shall not, without the written consent of the other party to this Contract ("the Disclosing Party"), divulge to any third party any documents, data, or other information of a confidential nature ("Confidential Information") connected with this Contract, and furnished directly or indirectly by the Disclosing Party prior to or during performance, or following termination, of this Contract.

17.2 For the purposes of GCC Clause 17.1, the Supplier is also deemed to be the Receiving Party of Confidential Information generated by the Supplier itself in the course of the performance of its obligations under the Contract and relating to the businesses, finances, suppliers, employees, or other contacts of the Procuring Entity or the Procuring Entity's use of the System.

17.3 Notwithstanding GCC Clauses 17.1 and 17.2:

a) the Supplier may furnish to its Subcontractor Confidential Information of the Procuring Entity to the extent reasonably required for the Subcontractor to perform its work under the Contract; and

b) the Procuring Entity may furnish Confidential Information of the Supplier: (i) to its support service suppliers and their subcontractors to the extent reasonably required for them to perform their work under their support service contracts; and (ii) to its affiliates and subsidiaries, in which event the Receiving Party shall ensure that the person to whom it furnishes Confidential Information of the Disclosing Party is aware of and a tenderer by the Receiving Party's obligations under this GCC Clause 17 as if that person were party to the Contract in place of the Receiving Party.

17.4 The Procuring Entity shall not, without the Supplier's prior written consent, use any Confidential Information received from the Supplier for any purpose other than the operation, maintenance and further development of the System. Similarly, the Supplier shall not, without the Procuring Entity's prior written consent, use any Confidential Information received from the Procuring Entity for any purpose other than those that are required for the performance of the Contract.

17.5 The obligation of a party under GCC Clauses 17.1 through 17.4 above, however, shall not apply to that information which:

a) Now or hereafter enters the public domain through no fault of the Receiving Party;
b) can be proven to have been possessed by the Receiving Party at the time of disclosure and that was not previously obtained, directly or indirectly, from the Disclosing Party;
c) otherwise lawfully becomes available to the Receiving Party from a third party that has no obligation of confidentiality.

17.6 The above provisions of this GCC Clause17 shall not in any way modify any undertaking of confidentiality given by either of the parties to this Contract prior to the date of the Contract in respect of the System or any part thereof.

17.7 **Unless otherwise specified in the SCC**, the provisions of this GCC Clause17 shall survive the

termination, for whatever reason, of the Contract for three (3) years.

E. Supply, Installation, Testing, Commissioning, and Acceptance of the System

18 Representatives

18.1 Project Manager

If the Project Manager is not named in the Contract, then within fourteen (14) days of the Effective Date, the Procuring Entity shall appoint and notify the Supplier in writing of the name of the Project Manager. The
Procuring Entity may from time to time appoint some other person as the Project Manager in place of the person previously so appointed and shall give a notice of the name of such other person to the Supplier without delay. No such appointment shall be made at such a time or in such a manner as to impede the progress of work on the System. Such appointment shall take effect only upon receipt of such notice by the Supplier. **Unless otherwise specified in the SCC** (if any), the Project Manager shall have the authority to represent the Procuring Entity on all day-to-day matters relating to the System or arising from the Contract, and shall normally be the person giving or receiving notices on behalf of the Procuring Entity pursuant to GCC Clause4.

18.2 Supplier's Representative

18.2.1 If the Supplier's Representative is not named in the Contract, then with in fourteen (14) days of the Effective Date, the Supplier shall appoint the Supplier's Representative and shall request the Procuring Entity in writing to approve the person so appointed. The request must be accompanied by a detailed curriculum vitae for the nominee, as well as a description of any other System or non-System responsibilities the nominee would retain while performing the duties of the Supplier's Representative. If the Procuring Entity does not object to the appointment within fourteen (14) days, the Supplier's Representative shall be deemed to have been approved. If the Procuring Entity objects to the appointment within fourteen (14) days giving the reason therefor, then the Supplier shall appoint a replacement within fourteen (14) days of such objection in accordance with this GCC Clause 18.2.1.

18.2.2 **Unless otherwise specified in the SCC** (if any), the Supplier's Representative shall have the authority to represent the Supplier on all day-to-day matters relating to the System or arising from the Contract, and shall normally be the person giving or receiving notices on behalf of the Supplier pursuant to GCC Clause 4.

18.2.3 The Supplier shall not revoke the appointment of the Supplier's Representative without the Procuring Entity's prior written consent, which shall not be unreasonably withheld. If the Procuring Entity consents to such an action, the Supplier shall appoint another person of equal or superior qualifications as the Supplier's Representative, pursuant to the procedure set out in GCC Clause 18.2.1.

18.2.4 The Supplier's Representative and staff are obliged to work closely with the Procuring Entity's Project Manager and staff, act within their own authority, and a tenderer by directives issued by the Procuring Entity that are consistent with the terms of the Contract. The Supplier's Representative is responsible for managing the activities of its personnel and any subcontracted personnel.

18.2.5 The Supplier's Representative may, subject to the approval of the Procuring Entity (which shall not be unreasonably withheld), at any time delegate to any person any of the powers, functions, and authorities vested in him or her. Any such delegation may be revoked at any time. Any such delegation or revocation shall be subject to a prior notice signed by the Supplier's Representative and shall specify the powers, functions, and authorities there by delegated or revoked. No such

delegation or revocation shall take effect unless and until the notice of it has been delivered.

18.2.6 Any act or exercise by any person of powers, functions and authorities so delegated to him or her in accordance with GCC Clause18.2.5shall be deemed to be an act or exercise by the Supplier's Representative.

18.3 Objections and Removals

18.3.1 The Procuring Entity may by notice to the Supplier object to any representative or person employed by the Supplier in the execution of the Contract who, in the reasonable opinion of the Procuring Entity, may have behaved inappropriately, be incompetent, or be negligent. The Procuring Entity shall provide evidence of the same, where upon the Supplier shall remove such person from work on the System.

18.3.2 If any representative or person employed by the Supplier is removed in accordance with GCC Clause18.3.1, the Supplier shall, where required, promptly appoint a replacement.

19 Project Plan

19.1 In close cooperation with the Procuring Entity and based on the Preliminary Project Plan included in the Supplier's tender, the Supplier shall develop a Project Plan encompassing the activities specified in the Contract. The contents of the Project Plan shall be as **specified in the SCC** and/ or Technical Requirements.

19.2 **Unless otherwise specified in the SCC**, within thirty (30) days from the Effective Date of the Contract, the Supplier shall present a Project Plan to the Procuring Entity. The Procuring Entity shall, within fourteen (14) days of receipt of the Project Plan, notify the Supplier of any respects in which it considers that the Project Plan does not adequately ensure that the proposed program of work, proposed methods, and/or proposed Information Technologies will satisfy the Technical Requirements and/or the SCC (in this Clause 19.2 called "non-conformities" below). The Supplier shall, within five (5) days of receipt of such notification, correct the Project Plan and resubmit to the Procuring Entity. The Procuring Entity shall, within five (5) days of resubmission of the Project Plan, notify the Supplier of any remaining non-conformities. This procedure shall be repeated as necessary until the Project Plan is free from non-conformities. When the Project Plan is free from non-conformities, the Procuring Entity shall provide confirmation in writing to the Supplier. This approved Project Plan ("the Agreed Project Plan") shall be contractually binding on the Procuring Entity and the Supplier.

19.3 If required, the impact on the Implementation Schedule of modifications agreed during finalization of the Agreed Project Plan shall be incorporated in the Contract by amendment, in accordance with GCC Clauses 39 and 40.

19.4 The Supplier shall undertake to supply, install, test, and commission the System in accordance with the Agreed Project Plan and the Contract.

19.5 **Unless otherwise specified in the SCC**, the Supplier shall submit to the Procuring Entity Monthly Progress Reports summarizing:

i) Results accomplished during the prior period;

ii) cumulative deviations to date from schedule of progress milestones as specified in the Agreed Project Plan;

iii) corrective actions to be taken to return to planned schedule of progress; proposed revisions to planned schedule;

iv) other issues and outstanding problems; proposed actions to be taken;

v) resources that the Supplier expects to be provided by the Procuring Entity and/ or actions to

be taken by the Procuring Entity in the next reporting period;

vi) other issues or potential problems the Supplier foresees that could impact on project progress and/or effectiveness.

19.6 The Supplier shall submit to the Procuring Entity other (periodic) reports **as specified in the SCC**.

20 Sub-contracting

20.1 Appendix 3 (List of Approved Subcontractors) to the Contract Agreement specifies critical items of supply or services and a list of Subcontractors for each item that are considered acceptable by the Procuring Entity. If no Subcontractors are listed for an item, the Supplier shall prepare a list of Subcontractors it considers qualified and wishes to be added to the list for such items. The Supplier may from time to time propose additions to or deletions from any such list. The Supplier shall submit any such list or any modification to the list to the Procuring Entity for its approval insufficient time so as not to impede the progress of work on the System. The Procuring Entity shall not withhold such approval unreasonably. Such approval by the Procuring Entity of a Subcontractor (s) shall not relieve the Supplier from any of its obligations, duties, or responsibilities under the Contract.

20.2 The Supplier may, at its discretion, select and employ Subcontractors for such critical items from those Subcontractors listed pursuant to GCC Clause 20.1. If the Supplier wishes to employ a Subcontractor not so listed, or subcontract an item not so listed, it must seek the Procuring Entity's prior approval under GCC Clause 20.3.

20.3 For items for which pre-approved Subcontractor lists have not been specified in Appendix 3 to the Contract Agreement, the Supplier may employ such Subcontractors as it may select, provided: (i) the Supplier notifies the Procuring Entity in writing at least twenty-eight (28) days prior to the proposed mobilization date for such Subcontractor; and (ii) by the end of this period either the Procuring Entity has granted its approval in writing or fails to respond. The Supplier shall not engage any Subcontract or to which the Procuring Entity has objected in writing prior to the end of the notice period. The absence of a written objection by the Procuring Entity during the above specified period shall constitute formal acceptance of the proposed Subcontractor. Except to the extent that it permits the deemed approval of the Procuring Entity of Subcontractors not listed in the Contract Agreement, nothing in this Clause, however, shall limit the rights and obligations of either the Procuring Entity or Supplier as they are specified in GCC Clauses 20.1 and 20.2, or in Appendix3 of the Contract Agreement.

21 Design and Engineering

21.1 Technical Specifications and Drawings

21.1.1 The Supplier shall execute the basic and detailed design and the implementation activities necessary for successful installation of the System in compliance with the provisions of the Contractor, where not so specified, in accordance with good industry practice.

The Supplier shall be responsible for any discrepancies, errors or omissions in the specifications, drawings, and other technical documents that it has prepared, whether such specifications, drawings, and other documents have been approved by the Project Manager or not, provided that such discrepancies, errors, or omissions are not because of in accurate information furnished in writing to the Supplier by or on behalf of the Procuring Entity.

21.1.2 The Supplier shall be entitled to disclaim responsibility for any design, data, drawing, specification, or other document, or any modification of such design, drawings, specification, or other documents provided or designated by or on behalf of the Procuring Entity, by giving a notice of such disclaimer to the Project Manager.

21.2 Codes and Standards

Wherever references are made in the Contract to codes and standards in accordance with which

the Contract shall be executed, the edition or the revised version of such codes and standards current at the date twenty-eight (28) days prior to date of tender submission shall apply. During Contract execution, any changes in such codes and standards shall be applied after approval by the Procuring Entity and shall be treated in accordance with GCC Clause 39.3.

21.3 Approval/ Review of Controlling Technical Documents by the Project Manager

21.3.2 **Unless otherwise specified in the SCC**, there will NO Controlling Technical Documents required. However, **if the SCC specifies** Controlling Technical Documents, the Supplier shall prepare and furnish such documents for the Project Manager's approval or review.

Any part of the System covered by or related to the documents to be approved by the Project Manager shall be executed only after the Project Manager's approval of these documents.

GCC Clauses 21.3.2 through 21.3.7 shall apply to those documents requiring the Project Manager's approval, but not to those furnished to the Project Manager for its review only.

21.3.3 Within fourteen (14) days after receipt by the Project Manager of any document requiring the Project Manager's approval in accordance with GCC Clause 21.3.1, the Project Manager shall either return one copy of the document to the Supplier with its approval endorsed on the document or shall notify the Supplier in writing of its disapproval of the document and the reasons for disapproval and the modifications that the Project Manager proposes. If the Project Manager fails to take such action within the fourteen (14) days, then the document shall be deemed to have been approved by the Project Manager.

21.3.4 The Project Manager shall not disapprove any document except on the grounds that the document does not comply with some specified provision of the Contract or that it is contrary to good industry practice.

21.3.5 If the Project Manager disapproves the document, the Supplier shall modify the document and resubmit it for the Project Manager's approval in accordance with GCC Clause 21.3.2. If the Project Manager approves the document subject to modification(s), the Supplier shall make the required modification(s), and the document shall then be deemed to have been approved, subject to GCC Clause 21.3.5. The procedure set out in GCC Clauses 21.3.2 through 21.3.4 shall be repeated, as appropriate, until the Project Manager approves such documents.

21.3.6 If any dispute occurs between the Procuring Entity and the Supplier in connection with or arising out of the disapproval by the Project Manager of any document and/ or any modification (s) to a document that cannot be settled between the parties within a reasonable period, then, in case the Contract Agreement includes and names an Adjudicator, such dispute may be referred to the Adjudicator for determination in accordance with GCC Clause 43.1 (Adjudication). If such dispute is referred to an Adjudicator, the Project Manager shall give instructions as to whether and if so, how, performance of the Contract is to proceed. The Supplier shall proceed with the Contract in accordance with the Project Manager's instructions, provided that if the Adjudicator upholds the Supplier's view on the dispute and if the Procuring Entity has not given notice under GCC Clause 43.1.2, then the Supplier shall be reimbursed by the Procuring Entity for any additional costs incurred by reason of such instructions and shall be relieved of such responsibility or liability in connection with the dispute and the execution of the instructions as the Adjudicator shall decide, and the Time for Achieving Operational Acceptance shall be extended accordingly.

21.3.7 The Project Manager's approval, with or without modification of the document furnished by the Supplier, shall not relieve the Supplier of any responsibility or liability imposed upon it by any provisions of the Contract except to the extent that any subsequent failure results from modifications required by the Project Manager or inaccurate information furnished in writing to the Supplier by or on behalf of the Procuring Entity.

21.3.8 The Supplier shall not depart from any approved document unless the Supplier has first submitted to the Project Manager an amended document and obtained the Project Manager's approval of the

document, pursuant to the provisions of this GCC Clause 21.3. If the Project Manager requests any change in any already approved document and/or in any document based on such an approved document, the provisions of GCC Clause 39 (Changes to the System) shall apply to such request.

22 Procurement, Delivery, and Transport

22.1 Subject to related Procuring Entity's responsibilities pursuant to GCC Clauses 10 and 14, the Supplier shall manufacture or procure and transport all the Information Technologies, Materials, and other Goods in an expeditious and orderly manner to the Project Site.

22.2 Delivery of the Information Technologies, Materials, and other Goods shall be made by the Supplier in accordance with the Technical Requirements.

22.3 Early or partial deliveries require the explicit written consent of the Procuring Entity; which consent shall not be unreasonably withheld.

22.4 Packaging and Transportation

22.4.1 The Supplier shall provide such packing of the Goods as is required to prevent their damage or deterioration during shipment. The packing, marking, and documentation within and outside the packages shall comply strictly with the Procuring Entity's instructions to the Supplier.

22.4.2 The Supplier will bear responsibility for and cost of transport to the Project Sites in accordance with the terms and conditions used in the specification of prices in the Price Schedules, including the terms and conditions of the associated Inco terms.

22.4.3 **Unless otherwise specified in the SCC,** the Supplier shall be free to use transportation through carriers registered in any eligible country and to obtain insurance from any eligible source country.

Unless otherwise specified in the SCC, the Supplier will provide the Procuring Entity with shipping and other documents, as specified below:

22.4.4 For Goods supplied from outside Kenya:
Upon shipment, the Supplier shall notify the Procuring Entity and the insurance company contracted by the Supplier to provide cargo insurance by cable, facsimile, electronic mail, or EDI with the full details of the shipment. The Supplier shall promptly send the following documents to the Procuring Entity by mail or courier, as appropriate, with a copy to the cargo insurance company:

a Two copies of the Supplier's invoice showing the description of the Goods, quantity, unit price, and total amount;
b usual transportation documents;
c insurance certificate;
d certificate (s) of origin; and
e estimated time and point of arrival in Kenya and at the site.

25.5.2 For Goods supplied locally (i.e., from within Kenya):

Upon shipment, the Supplier shall notify the Procuring Entity by cable, facsimile, electronic mail, or EDI with the full details of the shipment. The Supplier shall promptly send the following documents to the Procuring Entity by mail or courier, as appropriate:

a Two copies of the Supplier's invoice showing the Goods' description, quantity, unit price, and total amount;
b Delivery note, railway receipt, or truck receipt;
c certificate of insurance;
d certificate (s) of origin; and
e estimated time of arrival at the site.

25.6 Customs Clearance

a) The Procuring Entity will bear responsibility for, and cost of, customs clearance into Kenya in accordance with the particular Incoterm(s) used for Goods supplied from outside Kenya in the Price Schedules referred to by Article2 of the Contract Agreement.

b) At the request of the Procuring Entity, the Supplier will make available a representative or agent during the process of customs clearance in Kenya for goods supplied from outside Kenya. In the event of delays in customs clearance that are not the fault of the Supplier:

i) the Supplier shall be entitled to an extension in the Time for Achieving Operational Acceptance, pursuant to GCC Clause40;

ii) the Contract Price shall be adjusted to compensate the Supplier for any additional storage charges that the Supplier may incur as a result of the delay.

23 Product Upgrades

23.1 At any point during performance of the Contract, should technological advances be introduced by the Supplier for Information Technologies originally offered by the Supplier in its tender and still to be delivered, the Supplier shall be obligated to offer to the Procuring Entity the latest versions of the available Information Technologies having equal or better performance or functionality at the same or lesser unit prices, pursuant to GCC Clause39 (Changes to the System).

23.2 At any point during performance of the Contract, for Information Technologies still to be delivered, the Supplier will also pass on to the Procuring Entity any cost reductions and additional and/ or improved support and facilities that it offers to other clients of the Supplier in Kenya, pursuant to GCC Clause39 (Changes to the System).

23.3 During performance of the Contract, the Supplier shall offer to the Procuring Entity all new versions, releases, and updates of Standard Software, as well as related documentation and technical support services, within thirty (30) days of their availability from the Supplier to other clients of the Supplier in Kenya, and no later than twelve (12) months after they are released in the country of origin. In no case will the prices for these Software exceed those quoted by the Supplier in the Recurrent Costs tables in its tender.

23.4 **Unless otherwise specified in the SCC,** during the Warranty Period, the Supplier will provide at no additional cost to the Procuring Entity all new versions, releases, and updates for all Standard Software that are used in the System, within thirty (30) days of their availability from the Supplier to other clients of the Supplier in Kenya, and no later than twelve (12) months after they are released in the country of origin of the Software.

23.5 The Procuring Entity shall introduce all new versions, releases or updates of the Software within eighteen (18) months of receipt of a production-ready copy of the new version, release, or update, provided that the new version, release, or update does not adversely affect System operation or performance or require extensive reworking of the System. In cases where the new version, release, or update adversely affects System operation or performance, or requires extensive reworking of the System, the Supplier shall continue to support and maintain the version or release previously in operation for as long as necessary to allow introduction of the new version, release, or update. In no case shall the Supplier stop supporting or maintaining a version or release of the Software less than twenty-four (24) months after the Procuring Entity receives a production-ready copy of a subsequent version, release, or update. The Procuring Entity shall use all reasonable endeavours to implement any new version, release, or update as soon as practicable, subject to the twenty-four-month-long stop date.

24 Implementation, Installation, and Other Services

24.1 The Supplier shall provide all Services specified in the Contract and Agreed Project Plan in

accordance with the highest standards of professional competence and integrity.

24.2 Prices charged by the Supplier for Services, if not included in the Contract, shall be agreed upon in advance by the parties (including, but not restricted to, any prices submitted by the Supplier in the Recurrent Cost Schedules of its Tender) and shall not exceed the prevailing rates charged by the Supplier to other Procuring Entity's in Kenya for similar services.

25 Inspections and Tests

25.1 The Procuring Entity or its representative shall have the right to inspect and/or test any components of the System, as specified in the Technical Requirements, to confirm their good working order and/ or conformity to the Contract at the point of delivery and/ or at the Project Site.

25.2 The Procuring Entity or its representative shall be entitled to attend any such inspections and/or tests of the components, provided that the Procuring Entity shall bear all costs and expenses incurred in connection with such attendance, including but not limited to all inspection agent fees, travel, and related expenses.

25.3 Should the inspected or tested components fail to conform to the Contract, the Procuring Entity may reject the component (s), and the Supplier shall either replace the rejected component (s), or make alterations as necessary so that it meets the Contract requirements free of cost to the Procuring Entity.

25.4 The Project Manager may require the Supplier to carry out any inspection and/or test not specified in the Contract, provided that the Supplier's reasonable costs and expenses incurred in the carrying out of such inspection and/ or test shall be added to the Contract Price. Further, if such inspection and/ or test impedes the progress of work on the System and/or the Supplier's performance of its other obligations under the Contract, due allowance will be made in respect of the Time for Achieving Operational Acceptance and the other obligations so affected.

25.5 If any dispute shall arise between the parties in connection with or caused by an inspection and/ or with regard to any component to be incorporated in the System that cannot be settled amicably between the parties within a reasonable period of time, either party may invoke the process pursuant to GCC Clause 43 (Settlement of Disputes), starting with referral of the matter to the Adjudicator in case an Adjudicator is included and named in the Contract Agreement.

26 Installation of the System

26.1 As soon as the System, or any Subsystem, has, in the opinion of the Supplier, been delivered, Pre-commissioned, and made ready for Commissioning and Operational Acceptance Testing in accordance with the Technical Requirements, the SCC and the Agreed Project Plan, the Supplier shall so notify the Procuring Entity in writing.

26.2 The Project Manager shall, within fourteen (14) days after receipt of the Supplier's notice under GCC Clause 26.1, either issue an Installation Certificate in the form specified in the Sample Contractual Forms Section in the tendering documents, stating that the System, or major component or Subsystem (if Acceptance by major component or Sub system is specified pursuant to the SCC for GCC Clause27.2.1), has achieved Installation by the date of the Supplier's notice under GCC Clause 26.1, or notify the Supplier in writing of any defects and/or deficiencies, including, but not limited to, defects or deficiencies in the interoperability or integration of the various components and/or Subsystems making up the System. The Supplier shall use all reasonable endeavors to promptly remedy any defect and/ or deficiencies that the Project Manager has notified the Supplier of. The Supplier shall then promptly carryout retesting of the System or Sub system and, when in the Supplier's opinion the System or Sub system is ready for Commissioning and Operational Acceptance Testing, notify the Procuring Entity in writing, in accordance with GCC Clause 26.1. The procedure set out in this GCC Clause shall be repeated, as

necessary, until an Installation Certificate is issued.

26.3 If the Project Manager fails to issue the Installation Certificate and fails to inform the Supplier of any defects and/or deficiencies within fourteen (14) days after receipt of the Supplier's notice under GCC Clause 26.1,or if the Procuring Entity puts the System or a Subsystem in to production operation, then the System (or Subsystem) shall be deemed to have achieved successful Installation as of the date of the Supplier's notice or repeated notice, or when the Procuring Entity put the System in to production operation, as the case may be.

27 Commissioning and Operational Acceptance

27.1 Commissioning

27.1.1 Commissioning of the System (or Subsystem if specified pursuant to the SCC for GCC Clause 27.2.1) shall be commenced by the Supplier:

a) immediately after the Installation Certificate is issued by the Project Manager, pursuant to GCC Clause 26.2; or

b) as otherwise specified in the Technical Requirement or the Agreed Project Plan; or

c) immediately after Installation is deemed to have occurred, under GCC Clause 26.3.

27.1.2 The Procuring Entity shall supply the operating and technical personnel and all materials and information reasonably required to enable the Supplier to carry out its obligations with respect to Commissioning. Production use of the System or Subsystem(s) shall not commence prior to the start of formal Operational Acceptance Testing.

27.2 Operational Acceptance Tests

27.2.1 The Operational Acceptance Tests (and repeats of such tests) shall be the primary responsibility of the Procuring Entity (in accordance with GCC Clause 10.9), but shall be conducted with the full cooperation of the Supplier during Commissioning of the System (or major components or Subsystem[s]), to ascertain whether the System (or major component or Subsystem[s]) conforms to the Technical Requirements and meets the standard of performance quoted in the Supplier's tender, including, but not restricted to, the functional and technical performance requirements. **Unless otherwise specified in the SCC**, the Operational Acceptance Tests during Commissioning will be conducted as specified in the Technical Requirements and/ or the Agreed Project Plan. At the Procuring Entity's discretion, Operational Acceptance Tests may also be performed on replacement Goods, upgrades and new version releases, and Goods that are added or field-modified after Operational Acceptance of the System.

27.2.2 If for reasons attributable to the Procuring Entity, the Operational Acceptance Test of the System (or Subsystem[s] or major components, pursuant to the SCC for GCC Clause 27.2.1) cannot be successfully completed within ninety (90) days from the date of Installation or any other period agreed upon in writing by the Procuring Entity and the Supplier, the Supplier shall be deemed to have fulfilled its obligations with respect to the technical and functional aspects of the Technical Specifications, SCC and/ or the Agreed Project Plan, and GCC Clause 28.2 and 28.3 shall not apply.

27.3 Operational Acceptance

27.3.1 Subject to GCC Clause 27.4 (Partial Acceptance) below, Operational Acceptance shall occur in respect of the System, when

a the Operational Acceptance Tests, as specified in the Technical Requirements, and/or SCC and/or the Agreed Project Plan have been successfully completed; or

b the Operational Acceptance Tests have not been successfully completed or have not been carried out for reasons that are attributable to the Procuring Entity within the period from the date of

Installation or any other agreed-upon period as specified in GCC Clause 27.2.2 above; or

c the Procuring Entity has put the System into production or use for sixty (60) consecutive days. If the System is put into production or use in this manner, the Supplier shall notify the Procuring Entity and document such use.

27.3.2 At any time after any of the events set out in GCC Clause 27.3.1 have occurred, the Supplier may give a notice to the Project Manager requesting the issue of an Operational Acceptance Certificate.

27.3.3 After consultation with the Procuring Entity, and within fourteen (14) days after receipt of the Supplier's notice, the Project Manager shall:

a Issue an Operational Acceptance Certificate; or

b Notify the Supplier in writing of any defect or deficiencies or other reason for the failure of the Operational Acceptance Tests; or

c Issue the Operational Acceptance Certificate, if the situation covered by GCC Clause 27.3.1 (b) arises.

27.3.4 The Supplier shall use all reasonable endeavors to promptly remedy any defect and/or deficiencies and/or other reasons for the failure of the Operational Acceptance Test that the Project Manager has notified the Supplier of. Once such remedies have been made by the Supplier, the Supplier shall notify the Procuring Entity, and the Procuring Entity, with the full cooperation of the Supplier, shall use all reasonable endeavors to promptly carry out retesting of the System or Sub system. Upon the successful conclusion of the Operational Acceptance Tests, the Supplier shall notify the Procuring Entity of its request for Operational Acceptance Certification, in accordance with GCC Clause 27.3.3. The Procuring Entity shall then issue to the Supplier the Operational Acceptance Certification in accordance with GCC Clause 27.3.3 (a), or shall notify the Supplier of further defects, deficiencies, or other reasons for the failure of the Operational Acceptance Test. The procedure set out in this GCC Clause27.3.4 shall be repeated, as necessary, until an Operational Acceptance Certificate is issued.

27.3.5 If the System or Subsystem fails to pass the Operational Acceptance Test(s) in accordance with GCC Clause 27.2, the neither:

a The Procuring Entity may consider terminating the Contract, pursuant to GCC

Clause 41.2.2; or

b If the failure to achieve Operational Acceptance within the specified time period is a result of the failure of the Procuring Entity to fulfill its obligations under the Contract, then the Supplier shall be deemed to have fulfilled its obligations with respect to the relevant technical and functional aspects of the Contract, and GCC Clauses 30.3 and 30.4 shall not apply.

27.3.6 If within fourteen (14) days after receipt of the Supplier's notice the Project Manager fails to issue the Operational Acceptance Certificate or fails to inform the Supplier in writing of the justifiable reasons why the Project Manager has not issued the Operational Acceptance Certificate, the System or Subsystem shall be deemed to have been accepted as of the date of the Supplier's said notice.

27.4 Partial Acceptance

27.4.1 If so specified in the SCC for GCC Clause 27.2.1, Installation and Commissioning shall be carried out individually for each identified major component or Subsystem (s) of the System. In this event, the provisions in the Contract relating to Installation and Commissioning, including the Operational Acceptance Test, shall apply to each such major component or Subsystem individually, and Operational Acceptance Certificate (s) shall be issued accordingly for each such major component or Subsystem of the System, subject to the limitations contained in GCC Clause 27.4.2.

27.4.2 The issuance of Operational Acceptance Certificates for individual major components or Subsystems pursuant to GCC Clause 27.4.1 shall not relieve the Supplier of its obligation to obtain an Operational

Acceptance Certificate for the System as an integrated whole (if so specified in the SCC for GCC Clauses 12.1 and 27.2.1) once all major components and Subsystems have been supplied, installed, tested, and commissioned.

27.4.3 In the case of minor components for the System that by their nature do not require Commissioning or an Operational Acceptance Test (e.g., minor fittings, furnishings or site works, etc.), the Project Manager shall issue an Operational Acceptance Certificate within fourteen (14) days after the fittings and/or furnishings have been delivered and/or installed or the site works have been completed. The Supplier shall, however, use all reasonable endeavors to promptly remedy any defects or deficiencies in such minor components detected by the Procuring Entity or Supplier.

F. Guarantees and Liabilities

28 Operational Acceptance Time Guarantee

28.1 The Supplier guarantees that it shall complete the supply, Installation, Commissioning, and achieve Operational Acceptance of the System (or Subsystems, pursuant to the SCC for GCC Clause 27.2.1) within the time periods specified in the Implementation Schedule and/or the Agreed Project Plan pursuant to GCC Clause 8.2, or within such extended time to which the Supplier shall be entitled under GCC Clause 40 (Extension of Time for Achieving Operational Acceptance).

28.2 **Unless otherwise specified in the SCC**, if the Supplier fails to supply, install, commission, and achieve Operational Acceptance of the System (or Subsystems pursuant to the SCC for GCC Clause 27.2.1) within the time for achieving Operational Acceptance specified in the Implementation Schedule or the Agreed Project Plan, or any extension of the time for achieving Operational Acceptance previously granted under GCC Clause 40 (Extension of Time for Achieving Operational Acceptance), the Supplier shall pay to the Procuring Entity liquidated damages at the rate of one half of one percent per week as a percentage of the Contract Price (exclusive of Recurrent Costs if any), or the relevant part of the Contract Price if a Subsystem has not achieved Operational Acceptance. The aggregate amount of such liquidated damages shall in no event exceed the amount often (10) percent of the Contract Price (exclusive of Recurrent Costs if any). Once the Maximum is reached, the Procuring Entity may consider termination of the Contract, pursuant to GCC Clause 41.2.2.

28.3 **Unless otherwise specified in the SCC,** liquidated damages payable under GCC Clause 28.2 shall apply only to the failure to achieve Operational Acceptance of the System (and Subsystems) as specified in the Implementation Schedule and/or Agreed Project Plan. This Clause 28.3 shall not limit, however, any other rights or remedies the Procuring Entity may have under the Contract for other delays.

28.4 If liquidated damages are claimed by the Procuring Entity for the System (or Subsystem), the Supplier shall have no further liability whatsoever to the Procuring Entity in respect to the Operational Acceptance time guarantee for the System (or Subsystem). However, the payment of liquidated damages shall not in any way relieve the Supplier from any of its obligations to complete the System or from any other of its obligations and liabilities under the Contract.

29 Defect Liability

29.1 The Supplier warrants that the System, including all Information Technologies, Materials, and other Goods supplied and Services provided, shall be free from defects in the design, engineering, Materials, and workmanship that prevent the System and/or any of its components from fulfilling the Technical Requirements or that limit in a material fashion the performance, reliability, or extensibility of the System and/or Subsystems. **Unless otherwise specified in the SCC**, there will be NO exceptions and/or limitations to this warranty with respect to Software (or categories of Software). Commercial warranty provisions of products supplied under the Contract shall apply to the extent that they do not conflict with the provisions of this Contract.

29.2 The Supplier also warrants that the Information Technologies, Materials, and other Goods supplied under the Contract are new, unused, and in corporate all recent improvements in design that materially affect the System's or Subsystem's ability to fulfill the Technical Requirements.

29.3 **Unless otherwise specified in the SCC,** the Supplier warrants that :(i) all Goods components to be incorporated into the System form part of the Supplier's and/or Subcontractor's current product lines, and (ii) they have been previously released to the market.

29.4 **Unless otherwise specified in the SCC**, the Warranty Period shall commence from the date of Operational Acceptance of the System (or of any major component or Subsystem for which separate Operational Acceptance is provided for in the Contract) and shall extend for thirty-six (36) months.

29.5 If during the Warranty Period any defect as described in GCC Clause 29.1 should be found in the design, engineering, Materials, and workmanship of the Information Technologies and other Goods supplied or of the Services provided by the Supplier, the Supplier shall promptly, in consultation and agreement with the Procuring Entity regarding appropriate remedying of the defects, and at its sole cost, repair, replace, or otherwise make good (as the Supplier shall, at its discretion, determine) such defect as well as any damage to the System caused by such defect. Any defective Information Technologies or other Goods that have been replaced by the Supplier shall remain the property of the Supplier.

29.6 The Supplier shall not be responsible for the repair, replacement, or making good of any defect, or of any damage to the System arising out of or resulting from any of the following causes:

a) Improper operation or maintenance of the System by the Procuring Entity;
b) Normal wear and tear;
c) use of the System with items not supplied by the Supplier, unless otherwise identified in the Technical Requirements, or approved by the Supplier; or
d) modifications made to the System by the Procuring Entity, or a third party, not approved by the Supplier.

29.7 The Supplier's obligations under this GCC Clause 29 shall not apply to:

a) any materials that are normally consumed in operation or have a normal life shorter than the Warranty Period; or

b) any designs, specifications, or other data designed, supplied, or specified by or on behalf of the Procuring Entity or any matters for which the Supplier has disclaimed responsibility, in accordance with GCC Clause 21.1.2.

29.8 The Procuring Entity shall give the Supplier a notice promptly following the discovery of such defect, stating the nature of any such defect together with all available evidence. The Procuring Entity shall afford all reasonable opportunity for the Supplier to inspect any such defect. The Procuring Entity shall afford the Supplier all necessary access to the System and the site to enable the Supplier to perform its obligations under this GCC Clause 29.

29.9 The Supplier may, with the consent of the Procuring Entity, remove from the site any Information Technologies and other Goods that are defective, if the nature of the defect, and/or any damage to the System caused by the defect, is such that repairs cannot be expeditiously carried out at the site. If the repair, replacement, or making good is of such a character that it may affect the efficiency of the System, the Procuring Entity may give the Supplier notice requiring that tests of the defective part be made by the Supplier immediately upon completion of such remedial work, where upon the Supplier shall carry out such tests.

If such part fails the tests, the Supplier shall carry out further repair, replacement, or making good (as the case maybe) until that part of the System passes such tests. The tests shall be agreed upon by the Procuring Entity and the Supplier.

29.10 **Unless otherwise specified in the SCC**, the response times and repair/replacement times for Warranty Defect Repair are specified in the Technical Requirements. Nevertheless, if the Supplier fails to commence the work necessary to remedy such defect or any damage to the System caused by such defect within two weeks the Procuring Entity may, following notice to the Supplier, proceed to do such work or contract a third party (or parties) to do such work, and the reasonable costs incurred by the Procuring Entity in connection with such work shall be paid to the Procuring Entity by the Supplier or may be deducted by the Procuring Entity from any monies due the Supplier or claimed under the Performance Security.

29.11 If the System or Subsystem cannot be used by reason of such defect and/or making good of such defect, the Warranty Period for the System shall be extended by a period equal to the period during which the System or Subsystem could not be used by the Procuring Entity because of such defect and/or making good of such defect.

29.12 Items substituted for defective parts of the System during the Warranty Period shall be covered by the Defect Liability Warranty for the remainder of the Warranty Period applicable for the part replaced or three (3) months, whichever is greater. For reasons of information security, the Procuring Entity may choose to retain physical possession of any replaced defective information storage devices.

29.13 At the request of the Procuring Entity and without prejudice to any other rights and remedies that the Procuring Entity may have against the Supplier under the Contract, the Supplier will offer all possible assistance to the Procuring Entity to seek warranty services or remedial action from any subcontracted third-party producers or licensor of Goods included in the System, including without limitation assignment or transfer in favor of the Procuring Entity of the benefit of any warranties given by such producers or licensors to the Supplier.

30 Functional Guarantees

30.1 The Supplier guarantees that, once the Operational Acceptance Certificate(s) has been issued, the System represents a complete, integrated solution to the Procuring Entity's requirements set forth in the Technical Requirements and it conforms to all other aspects of the Contract. The Supplier acknowledges that GCC Clause 27 regarding Commissioning and Operational Acceptance govern show technical conformance of the System to the Contract requirements will be determined.

30.2 If, for reasons attributable to the Supplier, the System does not conform to the Technical Requirements or does not conform to all other aspects of the Contract, the Supplier shall at its cost and expense make such changes, modifications, and/or additions to the System as may be necessary to conform to the Technical Requirements and meet all functional and performance standards. The Supplier shall notify the Procuring Entity upon completion of the necessary changes, modifications, and/or additions and shall request the Procuring Entity to repeat the Operational Acceptance Tests until the System achieves Operational Acceptance.

30.3 If the System (or Subsystem[s]) fails to achieve Operational Acceptance, the Procuring Entity may consider termination of the Contract, pursuant to GCC Clause 41.2.2, and forfeiture of the Supplier's Performance Security in accordance with GCC Clause 13.3 in compensation for the extra costs and delays likely to result from this failure.

31 Intellectual Property Rights Warranty

31.1 The Supplier here by represents and warrants that:

a) The System as supplied, installed, tested, and accepted;

b) Use of the System in accordance with the Contract; and

c) Copying of the Software and Materials provided to the Procuring Entity in accordance with the

Contract do not and will not infringe any Intellectual Property Rights held by any third party and that it has all necessary rights or at its sole expense shall have secured in writing all transfer so frights and other consents necessary to make the assignments, licenses, and other transfers of Intellectual Property Rights and the warranties set forth in the Contract, and for the Procuring Entity to own or exercise all Intellectual Property Rights as provided in the Contract. Without limitation, the Supplier shall secure all necessary written agreements, consents, and transfers of rights from its employees and other persons or entities whose services are used for development of the System.

32 Intellectual Property Rights Indemnity

32.1 The Supplier shall indemnify and hold harmless the Procuring Entity and its employees and officers from and against any and all losses, liabilities, and costs (including losses, liabilities, and costs incurred in defending a claim alleging such a liability), that the Procuring Entity or its employees or officers may suffer as a result of any infringement or alleged infringement of any Intellectual Property Rights by reason of:

a) Installation of the System by the Supplier or the use of the System, including the Materials, in the country where the site is located;

b) copying of the Software and Materials provided by the Supplier in accordance with the Agreement; and

c) sale of the products produced by the System in any country, except to the extent that such losses, liabilities, and costs a rise as a result of the Procuring Entity's breach of GCC Clause 32.2.

32.2 Such indemnity shall not cover any use of the System, including the Materials, other than for the purpose indicated by or to be reasonably inferred from the Contract, any infringement resulting from the use of the System, or any products of the System produced there by in association or combination with any other goods or services not supplied by the Supplier, where the infringement arises because of such association or combination and not because of use of the System in its own right.

32.3 Such indemnities shall also not apply if any claim of infringement:

a) Is asserted by apparent, subsidiary, or affiliate of the Procuring Entity's organization;

b) Is a direct result of a design mandated by the Procuring Entity's Technical Requirements and the possibility of such infringement was duly noted in the Supplier's Tender; or

c) Results from the alteration of the System, including the Materials, by the Procuring Entity or any persons other than the Supplier or a person authorized by the Supplier.

32.4 If any proceedings are brought or any claim is made against the Procuring Entity arising out of the matters referred to in GCC Clause 32.1, the Procuring Entity shall promptly give the Supplier notice of such proceedings or claims, and the Supplier may at its own expense and in the Procuring Entity's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.

If the Supplier fails to notify the Procuring Entity within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Procuring Entity shall be free to conduct the same on its own behalf. Unless the Supplier has so failed to notify the Procuring Entity within the twenty-eight (28) days, the Procuring Entity shall make no admission that may be prejudicial to the defense of any such proceedings or claim. The Procuring Entity shall, at the Supplier's request, afford all available assistance to the Supplier in conducting such proceedings or claim and shall be reimbursed by the Supplier for all reasonable expenses incurred in so doing.

32.5 The Procuring Entity shall indemnify and hold harmless the Supplier and its employees, officers, and Subcontractors from and against any and all losses, liabilities, and costs (including losses, liabilities,

and costs incurred in defending a claim alleging such a liability) that the Supplier or its employees, officers, or Subcontractors may suffer as a result of any infringement or alleged infringement of any Intellectual Property Rights arising out of or in connection with any design, data, drawing, specification, or other documents or materials provided to the Supplier in connection with this Contract by the Procuring Entity or any persons (other than the Supplier) contracted by the Procuring Entity, except to the extent that such losses, liabilities, and costs arise as a result of the Supplier's breach of GCC Clause 32.8.

32.6 Such indemnity shall not cover

a) any use of the design, data, drawing, specification, or other documents or materials, other than for the purpose indicated by or to be reasonably inferred from the Contract;

b) any infringement resulting from the use of the design, data, drawing, specification, or other documents or materials, or any products produced thereby, in association or combination with any other Goods or Services not provided by the Procuring Entity or any other person contracted by the Procuring Entity, where the infringement arises because of such association or combination and not because of the use of the design, data, drawing, specification, or other documents or materials in its own right.

32.7 Such indemnities shall also not apply:

a) If any claim of infringement is asserted by apparent, subsidiary, or affiliate of the Supplier's organization;

b) to the extent that any claim of infringement is caused by the alteration, by the Supplier, or any persons contracted by the Supplier, of the design, data, drawing, specification, or other documents or materials provided to the Supplier by the Procuring Entity or any persons contracted by the Procuring Entity.

32.8 If any proceedings are brought or any claim is made against the Supplier arising out of the matters referred to in GCC Clause 32.5, the Supplier shall promptly give the Procuring Entity notice of such proceedings or claims, and the Procuring Entity may at its own expense and in the Supplier's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. If the Procuring Entity fails to notify the Supplier within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Supplier shall be free to conduct the same on its own behalf. Unless the Procuring Entity has so failed to notify the Supplier within the twenty-eight (28) days, the Supplier shall make no admission that may be prejudicial to the defense of any such proceedings or claim. The Supplier shall, at the Procuring Entity's request, afford all available assistance to the Procuring Entity in conducting such proceedings or claim and shall be reimbursed by the Procuring Entity for all reasonable expenses incurred in so doing.

33 Limitation of Liability

33.1 Provided the following does not exclude or limit any liabilities of either party in ways not permitted by applicable law:

a) the Supplier shall not be liable to the Procuring Entity, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the Supplier to pay liquidated damages to the Procuring Entity; and

b) the aggregate liability of the Supplier to the Procuring Entity, whether under the Contract, in tort or otherwise, shall not exceed the total Contract Price, provided that this limitation shall not apply to any obligation of the Supplier to indemnify the Procuring Entity with respect to intellectual property rights infringement.

G. Risk Distribution

34 Transfer of Ownership

34.1 With the exception of Software and Materials, the ownership of the Information Technologies and other Goods shall be transferred to the Procuring Entity at the time of Delivery or otherwise under terms that may be agreed upon and specified in the Contract Agreement.

34.2 Ownership and the terms of usage of the Software and Materials supplied under the Contract shall be governed by GCC Clause 15 (Copyright) and any elaboration in the Technical Requirements.

34.3 Ownership of the Supplier's Equipment used by the Supplier and its Subcontractors in connection with the Contract shall remain with the Supplier or its Subcontractors.

35 Care of the System

35.1 The Procuring Entity shall be come responsible for the care and custody of the System or Subsystems upon their Delivery. The Procuring Entity shall make good at its own cost any loss or damage that may occur to the System or Subsystems from any cause from the date of Delivery until the date of Operational Acceptance of the System or Subsystems, pursuant to GCC Clause 27 (Commissioning and Operational Acceptance), except such loss or damage arising from acts or omissions of the Supplier, its employees, or subcontractors.

35.2 If any loss or damage occurs to the System or any part of the System by reason of:

a) (in so far as they relate to the country where the Project Site is located) nuclear reaction, nuclear radiation, radioactive contamination, a pressure wave caused by aircraft or other aerial objects, or any other occurrences that an experienced contractor could not reasonably foresee, or if reasonably foreseeable could not reasonably make provision for or insure against, in so far as such risks are not normally insurable on the insurance market and are mentioned in the general exclusions of the policy of insurance taken out under GCC Clause 37;

b) Any use not in accordance with the Contract, by the Procuring Entity or any third party;

c) Any use of or reliance upon any design, data, or specification provided or designated by or on behalf of the Procuring Entity, or any such matter for which the Supplier has disclaimed responsibility in accordance with GCC Clause 21.1.2, the Procuring Entity shall pay to the Supplier all sums payable in respect of the System or Subsystems that have achieved Operational Acceptance, notwithstanding that the same be lost, destroyed, or damaged. If the Procuring Entity requests the Supplier in writing to make good any loss or damage to the System thereby occasioned, the Supplier shall make good the same at the cost of the Procuring Entity in accordance with GCC Clause 39. If the Procuring Entity does not request the Supplier in writing to make good any loss or damage to the System there by occasioned, the Procuring Entity shall either request a change in accordance with GCC Clause 39, excluding the performance of that part of the System there by lost, destroyed, or damaged, or, where the loss or damage affects a substantial part of the System, the Procuring Entity shall terminate the Contract pursuant to GCC Clause 41.1.

35.3 The Procuring Entity shall be liable for any loss of or damage to any Supplier's Equipment which the Procuring Entity has authorized to locate within the Procuring Entity's premises for use in fulfillment of Supplier's obligations under the Contract, except where such loss or damage arises from acts or omissions of the Supplier, its employees, or subcontractors.

36 Loss of or Damage to Property; Accident or Injury to Workers; Indemnification

36.1 The Supplier and each and every Subcontractor shall abide by the job safety, insurance, customs, and immigration measures prevalent and laws in force in Kenya.

36.2 Subject to GCC Clause 36.3, the Supplier shall indemnify and hold harmless the Procuring Entity and

its employees and officers from and against any and all losses, liabilities and costs (including losses, liabilities, and costs incurred in defending a claim alleging such a liability) that the Procuring Entity or its employees or officers may suffer as a result of the death or injury of any person or loss of or damage to any property (other than the System, whether accepted or not) arising in connection with the supply, installation, testing, and Commissioning of the System and by reason of the negligence of the Supplier or its Subcontractors, or their employees, officers or agents, except any injury, death, or property damage caused by the negligence of the Procuring Entity, its contractors, employees, officers, or agents.

36.3 If any proceedings are brought or any claim is made against the Procuring Entity that might subject the Supplier to liability under GCC Clause 36.2, the Procuring Entity shall promptly give the Supplier notice of such proceedings or claims, and the Supplier may at its own expense and in the Procuring Entity's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. If the Supplier fails to notify the Procuring Entity within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Procuring Entity shall be free to conduct the same on its own behalf. Unless the Supplier has so failed to notify the Procuring Entity within the twenty-eight (28) day period, the Procuring Entity shall make no admission that may be prejudicial to the defense of any such proceedings or claim. The Procuring Entity shall, at the Supplier's request, afford all available assistance to the Supplier in conducting such proceedings or claim and shall be reimbursed by the Supplier for all reasonable expenses incurred in so doing.

36.4 The Procuring Entity shall indemnify and hold harmless the Supplier and its employees, officers, and Subcontractors from any and all losses, liabilities, and costs (including losses, liabilities, and costs incurred in defending a claim alleging such a liability) that the Supplier or its employees, officers, or Subcontractors may suffer as a result of the death or personal injury of any person or loss of or damage to property of the Procuring Entity, other than the System not yet achieving Operational Acceptance, that is caused by fire, explosion, or any other perils, in excess of the amount recoverable from insurances procured under GCC Clause 37 (Insurances), provided that such fire, explosion, or other perils were not caused by any act or failure of the Supplier.

36.5 If any proceedings are brought or any claim is made against the Supplier that might subject the Procuring Entity to liability under GCC Clause 36.4, the Supplier shall promptly give the Procuring Entity notice of such proceedings or claims, and the Procuring Entity may at its own expense and in the Supplier's name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim. If the Procuring Entity fails to notify the Supplier within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Supplier shall be free to conduct the same on its own behalf. Unless the Procuring Entity has so failed to notify the Supplier within the twenty-eight (28) days, the Supplier shall make no admission that may be prejudicial to the defense of any such proceedings or claim. The Supplier shall, at the Procuring Entity's request, afford all available assistance to the Procuring Entity in conducting such proceedings or claim and shall be reimbursed by the Procuring Entity for all reasonable expenses incurred in so doing.

36.6 The party entitled to the benefit of an indemnity under this GCC Clause 36 shall take all reasonable measures to mitigate any loss or damage that has occurred. If the party fails to take such measures, the other party's liabilities shall be correspondingly reduced.

37 Insurances

37.1 The Supplier shall at its expense take out and maintain in effect, or cause to be taken out and maintained in effect, during the performance of the Contract, the insurance set forth below. The identity of the insurers and the form of the policies shall be subject to the approval of the Procuring Entity, who should not unreasonably with hold such approval.

a) Cargo Insurance During Transport

as applicable, 110 percent of the price of the Information Technologies and other Goods in a freely convertible currency, covering the Goods from physical loss or damage during shipment through receipt at the Project Site.

b) Installation "All Risks" Insurance

as applicable, 110 percent of the price of the Information Technologies and other Goods covering the Goods at the site from all risks of physical loss or damage (excluding only perils commonly excluded under "all risks" insurance policies of this type by reputable insurers) occurring prior to Operational Acceptance of the System.

c) Third-Party Liability Insurance

On terms as **specified in the SCC,** covering bodily injury or death suffered by third parties (including the Procuring Entity's personnel) and loss of or damage to property (including the Procuring Entity's property and any Subsystems that have been accepted by the Procuring Entity) occurring in connection with the supply and installation of the Information System.

d) Automobile Liability Insurance

In accordance with the statutory requirements prevailing in Kenya, covering use of all vehicles used by the Supplier or its Subcontractors (whether or not owned by them) in connection with the execution of the Contract.

e) Other Insurance (if any), as **specified in the SCC.**

37.2 The Procuring Entity shall be named as co-insured under all insurance policies taken out by the Supplier pursuant to GCC Clause 37.1, except for the Third-Party Liability, and the Supplier's Subcontractors shall be named as co-insured under all insurance policies taken out by the Supplier pursuant to GCC Clause 37.1 except for Cargo Insurance During Transport. All insurer's rights of subrogation against such co-insured for losses or claims arising out of the performance of the Contract shall be waived under such policies.

37.3 The Supplier shall deliver to the Procuring Entity certificates of insurance (or copies of the insurance policies) as evidence that the required policies are in full force and effect.

37.4 The Supplier shall ensure that, where applicable, its Subcontractor(s) shall take out and maintain in effect adequate insurance policies for their personnel and vehicles and for work executed by them under the Contract, unless such Subcontractors are covered by the policies taken out by the Supplier.

37.5 If the Supplier fails to take out and/or maintain in effect the insurance referred to in GCC Clause 37.1, the Procuring Entity may takeout and maintain in effect any such insurance and may from time to time deduct from any amount due to the Supplier under the Contract any premium that the Procuring Entity shall have paid to the insurer or may otherwise recover such amount as a debt due from the Supplier.

37.6 Unless otherwise provided in the Contract, the Supplier shall prepare and conduct all and any claims made under the policies affected by it pursuant to this GCC Clause 37, and all monies payable by any insurers shall be paid to the Supplier. The Procuring Entity shall give to the Supplier all such reasonable assistance as may be required by the Supplier in connection with any claim under the relevant insurance policies. With respect to insurance claims in which the Procuring Entity's interest is involved, the Supplier shall not give any release or make any compromise with the insurer without the prior written consent of the Procuring Entity. With respect to insurance claims in which the Supplier's interest is involved, the Procuring Entity shall not give any release or make any compromise with the insurer without the prior written consent of the Supplier.

38 Force Majeure

38.1 "Force Majeure" shall mean any event beyond the reasonable control of the Procuring Entity or of the Supplier, as the case may be, and which is unavoidable notwithstanding the reasonable care of the party affected and shall include, without limitation, the following:

a) war, hostilities, or war like operations (whether a state of war be declared or not), invasion, act of foreign enemy, and civil war;

b) rebellion, revolution, insurrection, mutiny, usurpation of civil or military government, conspiracy, riot, civil commotion, and terrorist acts;

c) confiscation, nationalization, mobilization, commandeering or requisition by or under the order of any government or dejure or defacto authority or ruler, or any other act or failure to act of any local state or national government authority;

d) strike, sabotage, lockout, embargo, import restriction, port congestion, lack of usual means of public transportation and communication, industrial dispute, shipwreck, shortage or restriction of power supply, epidemics, quarantine, and plague;

e) earthquake, landslide, volcanic activity, fire, flood or inundation, tidal wave, typhoon or cyclone, hurricane, storm, lightning, or other inclement weather condition, nuclear and pressure waves, or other natural or physical disaster;

f) failure, by the Supplier, to obtain the necessary export permit (s) from the governments of the Country(s) of Origin of the Information Technologies or other Goods, or Supplier's Equipment provided that the Supplier has made all reasonable efforts to obtain the required export permit(s), including the exercise of due diligence in determining the eligibility of the System and all of its components for receipt of the necessary export permits.

38.2 If either party is prevented, hindered, or delayed from or in performing any of its obligations under the Contract by an event of Force Majeure, then it shall notify the other in writing of the occurrence of such event and the circumstances of the event of Force Majeure within fourteen (14) days after the occurrence of such event.

38.3 The party who has given such notice shall be excused from the performance or punctual performance of its obligations under the Contract for so long as the relevant event of Force Majeure continues and to the extent that such party's performance is prevented, hindered, or delayed. The Time for Achieving Operational Acceptance shall be extended in accordance with GCC Clause 40 (Extension of Time for Achieving Operational Acceptance).

38.4 The party or parties affected by the event of Force Majeure shall use reasonable efforts to mitigate the effect of the event of Force Majeure upon its or their performance of the Contract and to fulfill its or their obligations under the Contract, but without prejudice to either party's right to terminate the Contract under GCC Clause 38.6.

38.5 No delay or nonperformance by either party to this Contract caused by the occurrence of any event of Force Majeure shall:

a) Constitute a default or breach of the Contract;

b) (subject to GCC Clauses 35.2, 38.3, and 38.4) give rise to any claim for damages or additional cost or expense occasioned by the delay or nonperformance, if, and to the extent that, such delay or non-performance is caused by the occurrence of an event of Force Majeure.

38.6 If the performance of the Contract is substantially prevented, hindered, or delayed for a single period of more than sixty (60) days or an aggregate period of more than one hundred and twenty (120) days on account of one or more events of Force Majeure during the time period covered by the Contract, the parties will attempt to develop a mutually satisfactory solution, failing which, either party may terminate the Contract by giving a notice to the other.

38.7 In the event of termination pursuant to GCC Clause 38.6, the rights and obligations of the Procuring Entity and the Supplier shall be as specified in GCC Clauses 41.1.2 and 41.1.3.

38.8 Notwithstanding GCC Clause 38.5, Force Majeure shall not apply to any obligation of the Procuring Entity to make payments to the Supplier under this Contract.

H. Change in Contract Elements

39 Changes to the System

39.1 Introducing a Change

39.1.1 Subject to GCC Clauses 39.2.5 and 39.2.7, the Procuring Entity shall have the right to propose, and subsequently require, the Project Manager to order the Supplier from time to time during the performance of the Contract to make any change, modification, addition, or deletion to, in, or from the System (interchangeably called "Change"), provided that such Change falls within the general scope of the System, does not constitute unrelated work, and is technically practicable, taking into account both the state of advancement of the System and the technical compatibility of the Change envisaged with the nature of the System as originally specified in the Contract.

29.1.2 A Change may involve, but is not restricted to, the substitution of updated Information Technologies and related Services in accordance with GCC Clause 23 (Product Upgrades).

39.1.3 The Supplier may from time to time during its performance of the Contract propose to the Procuring Entity (with a copy to the Project Manager) any Change that the Supplier considers necessary or desirable to improve the quality or efficiency of the System. The Procuring Entity may at its discretion approve or reject any Change proposed by the Supplier.

39.1.4 Notwithstanding GCC Clauses 39.1.1 and 39.1.2, no change made necessary because of any default of the Supplier in the performance of its obligations under the Contract shall be deemed to be a Change, and such change shall not result in any adjustment of the Contract Price or the Time for Achieving Operational Acceptance.

39.1.5 The procedure on how to proceed with and execute Changes is specified in GCC Clauses 39.2 and 39.3, and further details and sample forms are provided in the Sample Contractual Forms Section in the tendering documents.

39.1.6 Moreover, the Procuring Entity and Supplier will agree, during development of the Project Plan, to a date prior to the scheduled date for Operational Acceptance, after which the Technical Requirements for the System shall be "frozen." Any Change initiated after this time will be dealt with after Operational Acceptance.

39.2 Changes Originating from Procuring Entity

39.2.4 If the Procuring Entity proposes a Change pursuant to GCC Clauses 39.1.1, it shall send to the Supplier a "Request for Change Proposal," requiring the Supplier to prepare and furnish to the Project Manager as soon as reasonably practicable a "Change Proposal," which shall include the following:

a Brief description of the Change;

b Impact on the Time for Achieving Operational Acceptance;

c Detailed estimated cost of the Change;

d Effect on Functional Guarantees (if any);

e Effect on any other provisions of the Contract.

39.2.5 Prior to preparing and submitting the "Change Proposal," the Supplier shall submit to the Project Manager a "Change Estimate Proposal," which shall be an estimate of the cost of preparing the Change Proposal, plus a first approximation of the suggested approach and cost for implementing the changes. Upon receipt of the Supplier's Change Estimate Proposal, the Procuring Entity shall do one of the following:

a accept the Supplier's estimate with instructions to the Supplier to proceed with the preparation of the Change Proposal;

b advise the Supplier of any part of its Change Estimate Proposal that is unacceptable and request the Supplier to review its estimate;

c advise the Supplier that the Procuring Entity does not intend to proceed with the Change.

39.2.6 Upon receipt of the Procuring Entity's instruction to proceed under GCC Clause 39.2.2 (a), the Supplier shall, with proper expedition, proceed with the preparation of the Change Proposal, in accordance with GCC Clause 39.2.1. The Supplier, at its discretion, may specify a validity period for the Change Proposal, after which if the Procuring Entity and Supplier has not reached agreement in accordance with GCC Clause 39.2.6, then GCC Clause 39.2.7 shall apply.

39.2.7 The pricing of any Change shall, as far as practicable, be calculated in accordance with the rates and prices included in the Contract. If the nature of the Change is such that the Contract rates and prices are in equitable, the parties to the Contract shall agree on other specific rates to be used for valuing the Change.

39.2.8 If before or during the preparation of the Change Proposal it becomes apparent that the aggregate impact of compliance with the Request for Change Proposal and with all other Change Orders that have already become binding upon the Supplier under this GCC Clause 39 would be to increase or decrease the Contract Price as originally set forth in Article 2 (Contract Price) of the Contract Agreement by more than fifteen (15) percent, the Supplier may give a written notice of objection to this Request for Change Proposal prior to furnishing the Change Proposal. If the Procuring Entity accepts the Supplier's objection, the Procuring Entity shall withdraw the proposed Change and shall notify the Supplier in writing of its acceptance.

The Supplier's failure to so object to a Request for Change Proposal shall neither affect its right to object to any subsequent requested Changes or Change Orders, nor affect its right to take into account, when making such subsequent objection, the percentage increase or decrease in the Contract Price that any Change not objected to by the Supplier represents.

39.2.9 Upon receipt of the Change Proposal, the Procuring Entity and the Supplier shall mutually agree upon all matters contained in the Change Proposal. Within fourteen (14) days after such agreement, the Procuring Entity shall, if it intends to proceed with the Change, issue the Supplier a Change Order. If the Procuring Entity is unable to reach a decision within fourteen (14) days, it shall notify the Supplier with details of when the Supplier can expect a decision. If the Procuring Entity decides not to proceed with the Change for whatever reason, it shall, within the said period of fourteen (14) days, notify the Supplier accordingly. Under such circumstances, the Supplier shall be entitled to reimbursement of all costs reasonably incurred by it in the preparation of the Change Proposal, provided that these do not exceed the amount given by the Supplier in its Change Estimate Proposal submitted in accordance with GCC Clause 39.2.2.

39.2.10 If the Procuring Entity and the Supplier cannot reach agreement on the price for the Change, an equitable adjustment to the Time for Achieving Operational Acceptance, or any other matters identified in the Change Proposal, the Change will not be implemented. However, this provision does not limit the rights of either party under GCC Clause 6 (Settlement of Disputes).

39.3 Changes Originating from Supplier

If the Supplier proposes a Change pursuant to GCC Clause 39.1.2, the Supplier shall submit to the Project Manager a written "Application for Change Proposal," giving reasons for the proposed Change and including the information specified in GCC Clause 39.2.1. Upon receipt of the Application for Change Proposal, the parties shall follow the procedures outlined in GCC Clauses 39.2.6 and 39.2.7. However, should the Procuring Entity choose not to proceed or the Procuring Entity and the Supplier cannot come to agreement on the change during any validity period that the Supplier may specify in its Application for Change Proposal, the Supplier shall not be entitled to recover the costs of preparing the Application for Change Proposal, unless subject to an agreement between the Procuring Entity and the Supplier to the contrary.

39.4 Value engineering. The Supplier may prepare, at its own cost, a value engineering proposal at any time during the performance of the Contract. The value engineering proposal shall, at a minimum, include the following;

(a) The proposed change (s), and a description of the difference to the existing Contract requirements;

(b) a full cost/benefit analysis of the proposed change(s) including a description and estimate of costs (including life cycle costs) the Procuring Entity may incur in implementing the value engineering proposal; and

(c) a description of any effect(s) of the change on performance/ functionality.

The Procuring Entity may accept the value engineering proposal if the proposal demonstrates benefits that:

a) accelerates the delivery period; or

b) reduces the Contract Price or the life cycle costs to the Procuring Entity; or

c) improves the quality, efficiency, safety or sustainability of the systems; or

d) yields any other benefits to the Procuring Entity, without compromising the necessary functions of the systems.

If the value engineering proposal is approved by the Procuring Entity and results in:

a) a reduction of the Contract Price; the amount to be paid to the Supplier shall be the percentage specified in the SCC of the reduction in the Contract Price; or

b) an increase in the Contract Price; but results in a reduction in life cycle costs due to any benefit described in
   (a) to (d) above, the amount to be paid to the Supplier shall be the full increase in the Contract Price.

40 Extension of Time for Achieving Operational Acceptance

40.1 The time(s) for achieving Operational Acceptance specified in the Schedule of Implementation shall be extended if the Supplier is delayed or impeded in the performance of any of its obligations under the Contract by reason of any of the following:

a) Any Change in the System as provided in GCC Clause39 (Change in the Information System);
b) Any occurrence of Force Majeure as provided in GCC Clause 38 (Force Majeure);
c) Default of the Procuring Entity; or
d) Any other matter specifically mentioned in the Contract; by such period as shall be fair and reasonable in all the circumstances and as shall fairly reflect the delay or impediment sustained by the Supplier.

40.2 Except where otherwise specifically provided in the Contract, the Supplier shall submit to the Project Manager a notice of a claim for an extension of the time for achieving Operational Acceptance, together with particulars of the event or circumstance justifying such extension as soon as reasonably practicable after the commencement of such event or circumstance. As soon as reasonably

practicable after receipt of such notice and supporting particulars of the claim, the Procuring Entity and the Supplier shall agree upon the period of such extension. In the event that the Supplier does not accept the Procuring Entity's estimate of a fair and reasonable time extension, the Supplier shall be entitled to refer the matter to the provisions for the Settlement of Disputes pursuant to GCC Clause 43.

40.3 The Supplier shall at all times use its reasonable efforts to minimize any delay in the performance of its obligations under the Contract.

41 Termination

41.1 Termination for Procuring Entity's Convenience

41.1.1 The Procuring Entity may at any time terminate the Contract for any reason by giving the Supplier a notice of termination that refers to this GCC Clause 41.1.

41.1.2 Upon receipt of the notice of termination under GCC Clause 41.1.1, the Supplier shall either as soon as reasonably practical or upon the date specified in the notice of termination

a) cease all further work, except for such work as the Procuring Entity may specify in the notice of termination for the sole purpose of protecting that part of the System already executed, or any work required to leave the site in a clean and safe condition;

b) terminate all subcontracts, except those to be assigned to the Procuring Entity pursuant to GCC Clause (d) (ii) below;

c) Remove all Supplier's Equipment from the site, repatriate the Supplier's and its Sub contractors' personnel from the site, remove from the site any wreckage, rubbish, and debris of any kind;

d) In addition, the Supplier, subject to the payment specified in GCC Clause 41.1.3, shall

i) deliver to the Procuring Entity the parts of the System executed by the Supplier up to the date of termination;

ii) to the extent legally possible, assign to the Procuring Entity all right, title, and benefit of the Supplier to the System, or Subsystem, as at the date of termination, and, as may be required by the Procuring Entity, in any subcontracts concluded between the Supplier and its Subcontractors;

iii) deliver to the Procuring Entity all nonproprietary drawings, specifications, and other documents prepared by the Supplier or its Subcontractors as of the date of termination in connection with the System.

41.1.3 In the event of termination of the Contract under GCC Clause 41.1.1, the Procuring Entity shall pay to the Supplier the following amounts:

a) The Contract Price, properly attributable to the parts of the System executed by the Supplier as of the date of termination;

b) The costs reasonably incurred by the Supplier in the removal of the Supplier's Equipment from the site and in the repatriation of the Supplier's and its Subcontractors 'personnel;

c) any amount to be paid by the Supplier to its Subcontractors in connection with the termination of any subcontracts, including any cancellation charges;

d) costs incurred by the Supplier in protecting the System and leaving the site in a clean and safe condition pursuant to GCC Clause 41.1.2(a); and

e) the cost of satisfying all other obligations, commitments, and claims that the Supplier may in good faith have undertaken with third parties in connection with the Contract and that are not covered by GCC Clauses 41.1.3 (a) through (d) above.

41.2 Termination for Supplier's Default

41.2.1 The Procuring Entity, without prejudice to any other rights or remedies it may possess, may terminate the Contract forth within the following circumstances by giving a notice of termination and its reasons there for to the Supplier, referring to this GCC Clause41.2:

a) If the Supplier becomes bankrupt or in solvent, has a receiving order issued against it, compounds with its creditors, or, if the Supplier is a corporation, a resolution is passed or order is made for its winding up (other than a voluntary liquidation for the purposes of amalgamation or reconstruction), a receiver is appointed over any part of its under taking or assets, or if the Supplier takes or suffers any other analogous action in consequence of debt;

b) If the Supplier assigns or transfers the Contractor any right or interest, there in in violation of the provision of GCC Clause 42 (Assignment); or

c) If the Supplier, in the judgment of the Procuring Entity has engaged in Fraud and Corruption, as defined in paragraph 2.2a. of the Appendix to the GCC, in competing for or in executing the Contract, including but

Not limited to willful misrepresentation of facts concerning ownership of Intellectual Property Rights in, or proper authorization and/or licenses from the owner to offer, the hardware, software, or materials provided under this Contract.

41.2.2 If the Supplier:

d) Has abandoned or repudiated the Contract;

e) Has without valid reason failed to commence work on the System promptly;

f) Persistently fails to execute the Contract in accordance with the Contract or persistently neglects to carry out its obligations under the Contract without just cause;

g) Refuses or is unable to provide sufficient Materials, Services, or labor to execute and complete the System in the manner specified in the Agreed Project Plan furnished under GCC Clause 19 at rates of progress that give reasonable assurance to the Procuring Entity that the Supplier can attain Operational Acceptance of the System by the Time for Achieving Operational Acceptance as extended; then the Procuring Entity may, without prejudice to any other rights it may possess under the Contract, give a notice to the Supplier stating the nature of the default and requiring the Supplier to remedy the same. If the Supplier fails to remedy or to take steps to remedy the same with in fourteen (14) days of its receipt of such notice, then the Procuring Entity may terminate the Contract forthwith by giving a notice of termination to the Supplier that refers to this GCC Clause 41.2.

41.2.3 Upon receipt of the notice of termination under GCC Clauses 41.2.1 or 41.2.2, the Supplier shall, either immediately or upon such date as is specified in the notice of termination:

h) cease all further work, except for such work as the Procuring Entity may specify in the notice of termination for the sole purpose of protecting that part of the System already executed or any work required to leave the site in a clean and safe condition;

i) terminate all subcontracts, except those to be assigned to the Procuring Entity pursuant to GCC Clause (d) below;

j) deliver to the Procuring Entity the parts of the System executed by the Supplier up to the date of termination;

k) to the extent legally possible, assign to the Procuring Entity all right, title and benefit of the Supplier to the System or Subsystems as at the date of termination, and, as may be required by the Procuring Entity, in any subcontracts concluded between the Supplier and its Subcontractors;

l) deliver to the Procuring Entity all drawings, specifications, and other documents prepared by the Supplier or its Subcontractors as at the date of termination in connection with the System.

41.2.4 The Procuring Entity may enter upon the site, expel the Supplier, and complete the System itself or by employing any third party. Upon completion of the System or at such earlier date as the Procuring Entity thinks appropriate, the Procuring Entity shall give notice to the Supplier that such Supplier's Equipment will be returned to the Supplier at or near the site and shall return such Supplier's Equipment to the Supplier in accordance with such notice. The Supplier shall thereafter without delay and at its cost remove or arrange removal of the same from the site.

41.2.5 Subject to GCC Clause 41.2.6, the Supplier shall be entitled to be paid the Contract Price attributable to the portion of the System executed as at the date of termination and the costs, if any, incurred in protecting the System and in leaving the site in a clean and safe condition pursuant to GCC Clause 41.2.3 (a). Any sums due the Procuring Entity from the Supplier accruing prior to the date of termination shall be deducted from the amount to be paid to the Supplier under this Contract.

41.2.6 If the Procuring Entity completes the System, the cost of completing the System by the Procuring Entity shall be determined. If the sum that the Supplier is entitled to be paid, pursuant to GCC Clause 41.2.5, plus the reasonable costs incurred by the Procuring Entity in completing the System, exceeds the Contract Price, the Supplier shall be liable for such excess. If such excess is greater than the sums due the Supplier under GCC Clause41.2.5, the Supplier shall pay the balance to the Procuring Entity, and if such excess is less than the sums due the Supplier under GCC Clause 41.2.5, the Procuring Entity shall pay the balance to the Supplier. The Procuring Entity and the Supplier shall agree, in writing, on the computation described above and the manner in which any sums shall be paid.

41.3 Termination by Supplier

41.3.1 If:

a) the Procuring Entity has failed to pay the Supplier any sum due under the Contract within the specified period, has failed to approve any invoice or supporting documents without just cause **pursuant to the SCC,** or commits a substantial breach of the Contract, the Supplier may give a notice to the Procuring Entity that requires payment of such sum, with interest on this sum as stipulated in GCC Clause 12.3, requires approval of such invoice or supporting documents, or specifies the breach and requires the Procuring Entity to remedy the same, as the case may be. If the Procuring Entity fails to pay such sum together with such interest, fails to approve such invoice or supporting documents or give its reasons for withholding such approval, fails to remedy the breach or take steps to remedy the breach within fourteen (14) days after receipt of the Supplier's notice; or

b) the Supplier is unable to carry out any of its obligations under the Contract for any reason attributable to the Procuring Entity, including but not limited to the Procuring Entity's failure to provide possession of or access to the site or other areas or failure to obtain any governmental permit necessary for the execution and/or completion of the System; then the Supplier may give a notice to the Procuring Entity of such events, and if the Procuring Entity has failed to pay the outstanding sum, to approve the invoice or supporting documents, to give its reasons for withholding such approval, or to remedy the breach within twenty-eight (28) days of such notice, or if the Supplier is still unable to carry out any of its obligations under the Contract for any reason attributable to the Procuring Entity within twenty-eight (28) days of the said notice, the Supplier may by a further notice to the Procuring Entity referring to this GCC Clause 41.3.1, forth with terminate the Contract.

41.3.2 The Supplier may terminate the Contract immediately by giving a notice to the Procuring Entity to that effect, referring to this GCC Clause 41.3.2, if the Procuring Entity becomes bankrupt or insolvent, has a receiving order issued against it, compounds with its creditors, or, being a corporation, if a resolution is passed or order is made for its winding up (other than a voluntary

liquidation for the purposes of amalgamation or reconstruction), a receiver is appointed over any part of its undertaking or assets, or if the Procuring Entity takes or suffers any other analogous action in consequence of debt.

41.3.3 If the Contract is terminated under GCC Clauses 41.3.1 or 41.3.2, then the Supplier shall immediately:

c) Cease all further work, except for such work as may be necessary for the purpose of protecting that part of the System already executed, or any work required to leave the site in a clean and safe condition;

d) Terminate all subcontracts, except those to be assigned to the Procuring Entity pursuant to Clause 41.3.3
(d) (ii);

e) remove all Supplier's Equipment from the site and repatriate the Supplier's and its Subcontractor's personnel from the site.

f) In addition, the Supplier, subject to the payment specified in GCC Clause 41.3.4, shall:

i) deliver to the Procuring Entity the parts of the System executed by the Supplier up to the date of termination;

ii) to the extent legally possible, assign to the Procuring Entity all right, title, and benefit of the Supplier to the System, or Subsystems, as of the date of termination, and, as may be required by the Procuring Entity, in any subcontracts concluded between the Supplier and its Subcontractors;

iii) to the extent legally possible, deliver to the Procuring Entity all drawings, specifications, and other documents prepared by the Supplier or its Subcontractors as of the date of termination in connection with the System.

41.3.4 If the Contract is terminated under GCC Clauses 41.3.1or 41.3.2, the Procuring Entity shall pay to the Supplier all payments specified in GCC Clause 41.1.3 and reasonable compensation for all loss, except for loss of profit, or damage sustained by the Supplier arising out of, in connection with, or in consequence of such termination.

41.3.5 Termination by the Supplier pursuant to this GCC Clause 41.3 is without prejudice to any other rights or remedies of the Supplier that may be exercised in lieu of or in addition to rights conferred by GCC Clause 41.3.

41.4 In this GCC Clause 41, the expression "portion of the System executed" shall include all work executed, Services provided, and all Information Technologies, or other Goods acquired (or subject to a legally binding

Obligation to purchase) by the Supplier and used or intended to be used for the purpose of the System, up to and including the date of termination.

41.5 In this GCC Clause 41, in calculating any monies due from the Procuring Entity to the Supplier, account shall be taken of any sum previously paid by the Procuring Entity to the Supplier under the Contract, including any advance payment paid **pursuant to the SCC.**

42 Assignment

42.l Neither the Procuring Entity nor the Supplier shall, without the express prior written consent of the other, assign to any third party the Contractor any part thereof, or any right, benefit, obligation, or interest there in or there under, except that the Supplier shall be entitled to assign either absolutely or by way of charge any monies due and payable to it or that may become due and payable to it under the Contract.

I. Settlement of Disputes

43 Settlement of Disputes

43.1 **Adjudication**

43.1.1 If any dispute of any kind what so ever shall arise between the Procuring Entity and the Supplier in connection with or arising out of the Contract, including without prejudice to the generality of the foregoing, any question regarding its existence, validity, or termination, or the operation of the System (whether during the progress of implementation or after its achieving Operational Acceptance and whether before or after the termination, abandonment, or breach of the Contract), the parties shall seek to resolve any such dispute **by mutual consultation**. If the parties fail to resolve such a dispute by mutual consultation within fourteen (14) days after one party has notified the other in writing of the dispute, then, if the Contract Agreement in Appendix2 includes and names an Adjudicator, the dispute shall, within another fourteen (14) days, be referred in writing by either party to the Adjudicator, with a copy to the other party. If there is no Adjudicator specified in the Contract Agreement, the mutual consultation period stated above shall last twenty-eight (28) days (instead of fourteen), upon expiry of which either party may move to the notification of arbitration pursuant to GCC Clause43.2.1.

43.1.2 The Adjudicator shall give his or her decision in writing to both parties within twenty-eight (28) days of the dispute being referred to the Adjudicator. If the Adjudicator has done so, and no notice of intention to commence arbitration has been given by either the Procuring Entity or the Supplier within fifty-six (56) days of such reference, the decision shall become final and binding upon the Procuring Entity and the Supplier. Any decision that has become final and binding shall be implemented by the parties forth with.

43.1.3 The Adjudicator shall be paid an hourly fee at the rate specified in the Contract Agreement plus reasonable expenditures incurred in the execution of duties as Adjudicator, and these costs shall be divided equally between the Procuring Entity and the Supplier.

43.1.4 Should the Adjudicator resign or die, or should the Procuring Entity and the Supplier agree that the Adjudicator is not fulfilling his or her functions in accordance with the provisions of the Contract, a new Adjudicator shall be jointly appointed by the Procuring Entity and the Supplier. Failing agreement between the two within twenty-eight (28) days, the new Adjudicator shall be appointed at the request of either party by the Appointing Authority **specified in the SCC,** or, if no Appointing Authority is **specified in SCC,** the Contract shall, from this point onward and until the parties may otherwise agree on an Adjudicator or an Appointing Authority, be implemented as if there is no Adjudicator.

43.2 Arbitration

43.2.1 If

a) the Procuring Entity or the Supplier is dissatisfied with the Adjudicator's decision and acts before this decision has become final and binding pursuant to GCC Clause 43.1.2, or
b) the Adjudicator fails to give a decision within the allotted time from referral of the dispute pursuant to GCC Clause 43.1.2, and the Procuring Entity or the Supplier acts within the following fourteen (14) days, or
c) in the absence of an Adjudicator from the Contract Agreement, the mutual consultation pursuant to GCC Clause 43.1.1 expires without resolution of the dispute and the Procuring Entity or the Supplier acts within the following fourteen (14) days, then either the Procuring Entity or the Supplier may act to give notice to the other party, with a copy for information to the Adjudicator incase an Adjudicator had been involved, of its intention to commence arbitration, as provided below, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given.

43.2.2 Any dispute in respect of which a notice of intention to commence arbitration has been given, in accordance with GCC Clause 43.2.1, shall be finally settled by arbitration. Arbitration may be

commenced prior to or after Installation of the Information System.

43.2.3 Arbitration proceedings shall be conducted in accordance with the rules of procedure **specified in the SCC.**

43.3 Notwithstanding any reference to the Adjudicator or arbitration in this clause,

a) The parties shall continue to perform their respective obligations under the Contract unless they otherwise agree;

b) The Procuring Entity shall pay the Supplier any monies due the Supplier.

SECTION VII - SPECIAL CONDITIONS OF CONTRACT

Special Conditions of Contract

The following Special Conditions of Contract (SCC) shall supplement or amend the General Conditions of Contract (GCC). Whenever there is a conflict, the provisions of the SCC shall prevail over those in the General Conditions of Contract. For the purposes of clarity, any referenced GCC clause numbers are indicated in the left column of the SCC.

A. ***Contract and Interpretation***

1. Definitions (GCC Clause1)

GCC 1.1 (b) (i)	The Procuring Entity is: *[insert:* ***complete legal name of the Procuring Entity****].*
GCC 1.1 (b) (ii)	The Project Manager is: *[insert:* ***name and/or the official title of Project Manager****].* GCC
GCC 1.1 (e) (x)	**There are no Special Conditions associated with GCC 1.1 (e) (x).** *[Note:* ***The GCC default specifies the Contract Period as when all the Supplier's obligations are completed. If there is a reason to set a hard-and-fast calendar date for the Contract Period to end, then specify here]***
GCC 1.1 (e) (xiii)	The Post-Warranty Services Period is ***[insert: number of months]*** starting with the completion of the Warranty Period.

1. Notices (GCC Clause 4)

GCC 4.3	Address of the Project Manager: [*as appropriate, insert:* ***personal delivery, postal, email, and/or EDI addresses.]*** Fallback address of the Procuring Entity: [*as appropriate, insert:* ***personal delivery, postal, facsimile, email, and/or EDI addresses.]*** ***[Note:*** *If the Procuring Entity wishes to use Electronic Data Interchange (EDI) to communicate with the Supplier, it should specify the standards and protocols (for example ANSI A1 or ISO EDIFACT). The details may then be revised at Contract finalization. If so, add the following text.]* For Electronic Data Interchange (EDI) the Procuring Entity and Supplier will use the following standards, protocols, addresses, and procedures: *[insert:* ***standards, protocols, addresses;*** *also describe:* ***any relevant procedures]***

B. Subject Matter of Contract

3. Scope of the System (GCC Clause 7)

GCC 7.3	The Supplier's obligations under the Contract will include the following recurrent cost items, as identified in the Recurrent Cost tables in the Supplier's Tender: *[specify:* ***the recurrent cost items/services that are included in the Contract; also provide cross reference to the place in the Technical Requirements where each item/service is specified in detail.]*** ***[Note:*** *The requirements in terms of recurrent cost items should be defined here, reflected in the Recurrent Cost Table for the Warranty period, and elaborated in the Technical Requirements. See also notes to SCC Clause 29.4 regarding services that are not typically included in commercial warranties.*

7. Terms of Payment (GCC Clause 12)

GCC 12.1	Subject to the provisions of GCC Clause 12 (Terms of Payment), the Procuring Entity shall pay the Contract Price to the Supplier according to the categories and in the manner specified below. Only the categories Advance Payment and Complete System Integration relate to the entire Contract Price. In other payment categories, the term "total Contract Price" means the total cost of goods or services under the specific payment category. Within each such category, the Contract Implementation Schedule may trigger pro-rata payments for the portion of the total Contract Price for the category corresponding to the goods or services actually Delivered, Installed, or Operationally Accepted, at unit prices and in the currencies specified in the Price Schedules of the Contract Agreement. (a) Advance Payment twenty percent (20%) of the entire Contract Price, exclusive of all Recurrent Costs, shall be paid against receipt of a claim accompanied by the Advance Payment Security specified in GCC Clause 13.2. ***[Note:*** *The advance payment may be higher than 10% in cases where Supplier's mobilization costs (i.e., costs between Contract effectiveness and the first scheduled Contract payment) are likely to be much larger than the advance payment, resulting in substantial negative cash flow for the Supplier. This happens primarily in projects where the Supplier must acquire expensive highly-specialized equipment to customize and configure a solution system prior to the first scheduled payment milestone. In these cases, the entire schedule of payments below obviously needs to be adjusted accordingly.]* (b) Information Technologies, Materials, and other Goods, with the exception of Custom Software and Custom Materials: sixty percent (60%) of the total or pro-rata Contract Price for this category against Delivery ten percent (10%) of the same price against Installation ten percent (10%) of the same price against Operational Acceptance. (c) Custom Software and Custom Materials: sixty percent (60%) of the total or pro-rata Contract Price for this category against Installation twenty percent (20%) of the same price against Operational Acceptance. ***[Note:*** *Large custom software development or system integration contracts (e.g., those taking longer than six months from Contract Effectiveness to Operational Acceptance of the Application Software subsystem) are usually paid in increments against Procuring Entity's acceptance of major intermediate deliverables defined in the implementation schedule as key milestones (e.g. a sequence of major system design documents, such as: software requirements specifications, software design document, development of a prototype for a major subsystem, delivery of a pilot implementation of the software for a subsystem or the entire system, etc.). In those cases, the above payment terms should be modified accordingly and refer to the milestones in the Implementation Schedule. The payment terms should allow the Supplier an adequate cash flow vis-à-vis the steps need to achieve an operational Information System.]* (d) Services other than Training: eighty percent (80%) of the pro-rata Contract Price for services performed will be paid monthly in arrears, on submission and Procuring Entity's approval of invoices: ***[Note:*** *If a separate Operational Acceptance for the System as an integrated whole is not required, increase by 10% points the final payment percentages of all other goods and services above.]*
GCC 12.3	The Procuring Entity shall pay to the Supplier interest on the delayed payments at a rate of: [*insert: "**%**"*per annum].
GCC 12.4	The Supplier will invoice the Procuring Entity in the currency used in the Contract Agreement and the Price Schedules it refers to, for Goods and Services supplied locally, and the conversion between this currency and Kenya shillings for payment purposes - in case the two currencies are different - will be made as of the actual payment date using the exchange rate found in *[insert:* ***source of exchange rate****]*.

8. Securities (GCC Clause 13)

GCC 13.3.1	The Performance Security shall be denominated in *[insert **currency]***for an amount equal to *[insert: **number]***percent of the Contract Price, excluding any Recurrent Costs. *[Note: The general rule is that the Performance Security is denominated in the currency or currencies of the contract or in a freely convertible currency acceptable to the Procuring Entity. It should be set as no more than ten (10) percent of the Contract Price, including Recurrent Costs during the Warranty Period. Provision of the Performance Security increases the transaction costs incurred by the successful Tenderer, which it can recover only by increasing its price. Therefore, for a simple/moderate system, Performance Security in an amount of 6-10% of the Contract Price would provide adequate protection].*
GCC 13.3.4	During the Warranty Period (i.e., after Operational Acceptance of the System), the Performance Security shall be reduced to *[insert: **number]***percent of the Contract Price, excluding any Recurrent Costs. *[Note: An appropriate amount for the Performance Security for a (three-year) Warranty Period would be between one (1) and two and a half (2.5) percent of the Contract Price including Recurrent Costs for the Warranty period.]*

D. Intellectual Property

9. Copyright (GCC Clause 15)

GCC 15.3	***There are no Special Conditions of Contract applicable to GCC Clause 15.3*** *[Note: If the Procuring Entity is a corporate or commercial entity, it may choose to specify the conditions under which contractual rights would be conveyed to any Procuring Entity of the concern, or any successor entities following a group reorganization or bankruptcy or other insolvency procedures. Procuring Entities with other organizational structures may need to add other similar provisions.]*
GCC 15.4	***There are no Special Conditions of Contract applicable to GCC Clause 15.4 [Note:*** *There is a broad spectrum of strategies that the Procuring Entity can adopt regarding Intellectual Property Rights in Custom Software (and in Custom Materials). One extreme case is that the Procuring Entity retains all Intellectual Property Rights and tightly restricts what the Supplier can do with the Custom Software and information related to it. This approach may be appropriate when the Procuring Entity has highly sensitive procedures embedded in the Custom Software (e.g., a central bank's settlement system) or commercial competitive concerns regarding wider use of the Software, designs, or information, or where the Procuring Entity considers that it is contributing valuable know-how to the development of the Custom Software and wishes to share in future profits with the Supplier that derives from exploitation of that know-how. The other extreme case is where the Procuring Entity retains no Intellectual Property Rights in the Custom Software and only licenses its use from the Supplier. This approach is most appropriate when the Supplier wants to take advantage of the potential cost reduction in allowing the Supplier to commercialize the Custom Software (rather than sharing in future profits) and where the Procuring Entity has no proprietary or commercial concerns regarding its reuse.* *A wide variety of intermediate arrangements can be appropriate, depending on the circumstances. These would entail variations of what the Procuring Entity is entitled to do with the software, designs, and related information (and under what conditions). These rights and obligations include the following: (i) duplicating and using the software on different equipment, such as back-ups, additional computers, replacements, upgraded units, etc.; (ii) transferring the license or sublicensing the software for other entities to use, modify, develop, commercialize, etc.; (iii) sharing proprietary information regarding the Custom Software with various parties. The Procuring Entity's obligations and rights (and the conditions under which those rights and obligations apply) can vary substantially also. These include: (i) what the Procuring Entity must and can do with the CASE files, Source Code, and executable code of the Custom Software; (ii) sharing, reselling, and otherwise providing access to the software, designs and related information; and (iii) auditing for license compliance.* *The Supplier's rights in relation to the Custom Software may:* *Be limited to use in order to support the Procuring Entity; or* • *Extend to commercial exploitation by re-licensing to third-party customers. If the Supplier's rights extend to commercial exploitation, they may be limited as follows:* • *There may be an interim period, designed to protect the Procuring Entity's competitive edge, during which the Supplier is not permitted to exploit commercially; and/or* • *The Supplier may be prohibited from licensing the Custom Software to certain categories of customer (for example, direct competitors of the Procuring Entity) or in certain territories (for example, Kenya), either for a limited period or indefinitely; and/or*

GCC 13.3.1	• *The Supplier may be required to pay royalties to the Procuring Entity when it licenses third parties to use the Custom Software.* *The first two of these categories of limitation are intended to protect the Procuring Entity's competitive edge. The third is intended to allow the Procuring Entity to share in future profits made by the Supplier through exploitation of the Custom Software. Royalty arrangements will have to be backed up by obligations to report to the Procuring Entity regarding future sales of products to which royalties apply and audit rights so that the Procuring Entity can check that the Supplier's reports are accurate. Clearly, if royalty arrangements are put in place, the value of the Custom Software to the Supplier is reduced, so the Procuring Entity may not benefit from an up-front cost saving.* *The Procuring Entity's rights in relation to the Custom Software may also be restricted to "user" rights or extended to commercial exploitation. If the Procuring Entity is to be treated as a mere user of the Custom Software, it might accept restrictions on use similar to those imposed in relation to the Standard Software (indeed, the default position in the GCC is that the Custom Software will be licensed to the Procuring Entity on exactly the same terms as the Standard Software if the Intellectual Property Rights in the Custom Software does not vest in the Procuring Entity). It may, however, also expect to have access to, and a right to use, CASE files and Source Code to the Custom Software (whereas, at best, Source Code to the Standard Software is likely to be deposited in escrow).* *If the Procuring Entity is to be permitted to exploit the Custom Software commercially, its exploitation rights may be limited in similar ways to the ways in which the Procuring Entity's own usage rights to the Custom Software may be limited.* *It may be appropriate to apply different arrangements to various elements of the Custom Software, according to their commercial sensitivity and potential for exploitation and the degree of competitive advantage that they afford to the Procuring Entity.* *The various possible arrangements can be achieved by a variety of contractual mechanisms. Ownership of Intellectual Property Rights in the Custom Software may vest the Supplier or the Procuring Entity, with the owner of those rights granting an appropriate license to the other party. This license may be subject to various degrees of exclusivity, depending on the desired commercial outcome (for example, the Supplier may own the Intellectual Property Rights in the Custom Software by granting to the Procuring Entity a license that is exclusive, in relation to exploitation in Kenya, for two years).* *If an exclusive license is to be granted, competition law issues will need to be considered in some jurisdictions.* *Each is sufficiently different as to render virtually all sample text inappropriate in numerous cases. Accordingly, the Procuring Entity of Custom Software will, in most instances, require the services of an appropriately skilled lawyer to draft SCC for the rights and obligations regarding Custom Software (more particularly, the variety of rights and obligations that potentially apply to different items of Custom Software).]*
GCC 15.5	***There are no Special Conditions of Contract applicable to GCC Clause 15.5*** ***[Note:*** *Special software escrow arrangements are generally needed in relation to Contracts for the supply of Software, particularly Application Software, where there is concern about the ability of the Supplier to provide ongoing support throughout the life of the System. The protection provided by an escrow arrangement, however, should be weighed against the costs of administering it. The actual language of the escrow contract will vary depending on the laws of the country in which the escrow deposit is to be made (which may be Kenyaor another country with a suitable legal regime) and the escrow agent selected (escrow agents generally have their own standard form contracts). Provisions may cover:* *(i) the Supplier's obligations to deliver the Source Code to the escrow agent and make replacement deposits to ensure that the Source Code is up to date;* *(ii) the Supplier's warranties that the Source Code is at all times capable of being used to generate the latest version of the executable code to the relevant Software in use by the Procuring Entity and suitable to enable the Procuring Entity to support and develop the Software;* *(iii) the escrow agent's obligations to keep the Source Code secure and confidential;* *(iv) the escrow agent's obligations in relation to verification of the Source Code (to ensure that it is Source Code and that it is capable of generating the executable code);*

	(v) the obligations of the Supplier and the Procuring Entity in relation to payment of the escrow agent's fee; *(vi) the escrow agent's right and obligation to release the Source Code to the Procuring Entity in certain specified "release events" (e.g., bankruptcy or insolvency of the Supplier or the Supplier's failure to make deposits or to support the Software);* *(vii) limitations and exclusions of the escrow agent's liability;* *(viii) the circumstances in which the escrow arrangement will terminate, and what will happen to the deposited Source Code on termination; and* *(ix) confidentiality undertakings to be given by the Procuring Entity on release of the Source Code.]*

10. Software License Agreements (GCC Clause 16)

GCC 16.1 (a) (iv)	***There are no Special Conditions of Contract applicable to GCC Clause 16.1 (a) (iv)*** ***[Note:*** *In the interest of soliciting lower Tender prices, Procuring Entities may wish to consider defining limitations in the use of the software. For example:* *(a) restrictions on the number of records in particular categories that may be held by the System;* *(b) restrictions on the numbers of transactions in particular categories that may be processed by the System in any day, week, month, or other specified period;* *(c) restrictions on the number of persons who may be authorized to use the System at any time;* *(d) restrictions on the number of persons who may access the System simultaneously at any time; or* *(e) restrictions on the number of workstations that may be connected to the System at any time.* *Note that, from the point of view of the Procuring Entity, if restrictions of any of these kinds (or any similar kind) are to be imposed and there is a real likelihood that the limits may be reached, it would be better to specify additional license fees that are payable when the limits are reached rather than imposing an absolute prohibition on exceeding the limits.]*
GCC 16.1 (b) (vi)	***There are no Special Conditions of Contract applicable to GCC Clause 16.1 (b) (vi)*** *[Note: The Procuring Entity may also wish to specify, for example, that such entities shall be not direct competitors of the Supplier.]*
GCC 16.1 (b) (vii)	***There are no Special Conditions of Contract applicable to GCC Clause 16.1 (b) (vii)*** *[Note: The Procuring Entity may, for example, wish to specify the members of the Procuring Entity's business group that are not direct competitors of the Supplier and that the Procuring Entity must obtain and provide the Supplier written evidence from such parties that such parties will adhere by the terms of the Contract as if they were party to the Contract.]*

GCC 16.2	***There are no Special Conditions of Contract applicable to GCC Clause 16.2*** *[Note: If on-site audits are acceptable, the Procuring Entity may specify conditions on the duration and number of audits per year; the hours or days during which audits may be conducted; the categories of software subject to audit; the procedures for access to Procuring Entity's hardware or software; the number and affiliation of individual auditors; the timing and terms of advance notice; the indemnity by Supplier for losses, liabilities, and costs incurred by the Procuring Entity as a direct result of the audit; etc.].*

11. Confidential Information (GCC Clause 17)

GCC 17.1	***There are no Special Conditions of Contract applicable to GCC Clause 17.1*** *[Note: The Procuring Entity may wish to give members of its business group or related agencies, for example, access to certain specific types of technical and / or financial information it obtains or develops with respect to the Supplier and its Information Technologies. The SCC covering such an exemption should define the individuals covered and generally provide that the Procuring Entity will ensure that such parties are aware of and will adhere by the Procuring Entity's obligations under GCC Clause 17 as if such party were a party to the Contract in place of the Procuring Entity.* ***if necessary and appropriate, specify: persons, topics, and conditions for which the confidentiality clause does not apply.]***

E. Supply, Installation, Testing, Commissioning, and Acceptance of the System

12. Representatives (GCC Clause 18)

GCC 18.1	***There are no Special Conditions of Contract applicable to GCC Clause 18.1*** ***[Note:*** *If appropriate specify additional powers or limitations.]* The Procuring Entity's Project Manager shall have the following additional powers and / or limitations to his or her authority to represent the Procuring Entity in matters relating to the Contract ***[state necessary and appropriate clauses].***
GCC 18.2.2	***There are no Special Conditions of Contract applicable to GCC Clause 18.2.2*** ***[Note:*** *If appropriate specify additional powers or limitations.]* The Supplier's Representative shall have the following additional powers and / or limitations to his or her authority to represent the Supplier in matters relating to the Contract ***[state necessary and appropriate clauses].*** ***[Note:*** *Any additional powers or limitations of the Supplier's Representative will, of necessity, be subject to discussions at Contract finalization and the SCC amended accordingly.]*

13. Project Plan (GCC Clause 19)

GCC 19.1	Chapters in the Project Plan shall address the following subject: ***(a) Project Organization and Management Sub-Plan, including management authorities, responsibilities, and contacts, as well as task, time and resource-bound schedules (in GANTT format);*** ***(b) Implementation Sub-Plan;*** ***(c) Training Sub-Plan;*** ***(d) Testing and Quality Assurance Sub-Plan;*** ***(e) Warranty Defect Repair and Technical Support Service Sub-Plan*** ***Further details regarding the required contents of each of the above chapters are contained in the Technical Requirements, (insert: reference)].***
GCC 19.6	***The Supplier shall submit to the Procuring Entity:*** ***(i) monthly inspection and quality assurance reports*** ***(ii) monthly training participants test results*** ***(iii) monthly log of service calls and problem resolutions***

14. Design and Engineering (GCC Clause 21)

GCC 21.3.1	***There are no Special Conditions of Contract applicable to GCC Clause 21.3.1.*** ***[Note:*** *If necessary and appropriate, specify the Controlling Technical Documents (i.e., document that must be approved by the Procuring Entity's Project Manager before any relevant downstream work can be undertaken by the Supplier).]* *[The Supplier shall prepare and furnish to the Project Manager the following documents for which the Supplier must obtain the Project Manager's approval before proceeding with work on the System or any Subsystem covered by the documents. [state* ***"none"*** *or specify, for example:* ***(*) detailed site surveys;*** ***(*) final Subsystem configurations;*** ***(*) etc.***

15. Product Upgrades (GCC Clause 23)

GCC 23.4	***There are no Special Conditions of Contract applicable to GCC Clause 23.4.*** *[Note: Mandating that all new versions, releases, and updates of Standard Software will be passed on for free during the Warranty Period is a comprehensive requirement, the benefits of which must be balanced against the perceived costs in the mind of the successful Tenderer at the time of tender submission. To require the Supplier to provide for free only new releases and updates, but agreeing that it would be reimbursed for the supply of complete new versions might be more cost-effective. For example, this may be particularly appropriate when the Procuring Entity would not benefit from costs of migrating its business applications to an entirely new version of the underlying database system if such a version came out during a three Warranty Period. Another approach may be to shorten the time period during which updates, etc., would have to be supplied for free, for example, to only the first year of the Warranty Period; or alternatively, a narrower set of Standard Software could be covered.]*

16. Inspections and Tests (GCC Clause 25)

GCC 25	***There are no Special Conditions of Contract applicable to GCC Clause 25.*** *[Note: Procuring Entity's may wish to consider employing qualified inspectors to inspect and certify the Information Technologies, Materials, and other Goods prior to shipment. This can minimize the number of cases where the Procuring Entity receives shipped goods that do not conform to the Technical Requirements and shorten the repair or replacement time.]*

17. Commissioning and Operational Acceptance (GCC Clause 27)

GCC 27.2.1	***There are no Special Conditions of Contract applicable to GCC Clause 27.2.1.*** *[Note: Few aspects of Information Technology procurement are more critical to the successful implementation of a System than the specification of Operational Acceptance Tests. It is imperative that the Procuring Entity prepare the specification for these tests as carefully as the overall specification of the System itself. The description should be sufficiently comprehensive, unambiguous, and verifiable to result in proper operation of the System with minimal confusion or controversy between the Procuring Entity and its management, the Supplier, and any users.* *In addition, where the Contract covers the Installation and acceptance testing of a number of Subsystems, the nature of the acceptance tests required for each Subsystem, and for the final tests to be carried out on the entire System once all Subsystems have been completed, needs to be clearly specified here and/or in the Technical Requirements and which party bears responsibility for correcting any defects discovered during the final tests of the entire System needs to be identified.]*

F. Guarantees and Liabilities

18. Operational Acceptance Time Guarantee (GCC Clause 28)

GCC 28.2	***There are no Special Conditions of Contract applicable to GCC Clause 28.2.*** ***[Note:*** *Typical percentages are, respectively, one half of one percent (0.5%) per week and ten percent (10%) of the total. In some instances, the Procuring Entity may wish to consider specifying liquidated damages on a daily basis. If so, specify this in the SCC].*
GCC 28.3	***There are no Special Conditions of Contract applicable to GCC Clause 28.3.*** *[Note: Establishing more milestones for liquidated damages may provide a somewhat greater degree of control and assurances regarding the pace of the implementation of the System. However, this will come at a price of increased complexity of Contract management and increased perceptions of financial risks on the part of Tenderers. This most likely will lead to higher tender prices. In most cases, Operational Acceptance should be the most appropriate financial control for ensuring the timeliness of implementation, since it captures the impact of earlier delays and is, in the final analysis, the milestone that truly matters. Whatever milestones are selected, it is critical that the Implementation Schedule precisely specify what Subsystems or other components are covered and when the milestone is set. These, of course, can be refined and revised through the Agreed Project Plan.]*

19. Defect Liability (GCC Clause 29)

GCC 29.1	***There are no Special Conditions of Contract applicable to GCC Clause 29.1.*** *[Note: Software is never completely error or "bug" free. Thus, the Procuring Entity may wish to refine or to limit the Supplier's warranty obligations. Properly done, this can reduce Tenderer's perceptions of financial risk and help lower tender prices. However, the Procuring Entity should balance the potential savings against the risks to reliable and effective operation of the System and the related costs to the Procuring Entity. These tradeoffs are very specific to the type of the System and its uses. These tradeoffs are also changing very rapidly with technological development. The Procuring Entity should consult experts in the relevant areas for an up-to-date assessment of the risks and the most appropriate text to express any such exceptions and limitations.]*
GCC 29.4	***There are no Special Conditions of Contract applicable to GCC Clause 29.4.*** ***[Note:*** *When defining the Warranty period, Procuring Entity should be careful to recognize that services such as resident engineer support, new software releases and end-user help desk support are not typically included in commercial warranties and should be priced separately in the Recurrent Cost Table].*
GCC 29.10	***There are no Special Conditions of Contract applicable to GCC Clause 29.10*** ***[Note:*** *Typically, the Procuring Entity should develop a set of response times for different degrees of seriousness of the defects and/or categories of IT and/or specific Subsystems. The most appropriate and economical set of response times are highly dependent on the specific System, its use, and the relevant conditions in Kenya.* *The GCC specifies that the Supplier must commence work on warranty defects within a maximum of two weeks; else the Procuring Entity may contract-in such services at the Supplier's expense. The Procuring Entity may wish to shorten or lengthen this period in the SCC. The time specified must strike a reasonable balance between the response time the typical qualified Supplier can physically achieve and the importance of maintaining continued System operation. If too short a time period is specified, Suppliers will need to protect themselves by adding a contingency to their tender prices.]*

20. Functional Guarantees (GCC Clause 30)

GCC 30	***There are no Special Conditions of Contract applicable to GCC Clause 30.*** *[Note: In the event that Information Systems and Technologies would have to conform to other calendar system(s), here would be the place to specify related requirements in addition to, or in variation of, the requirements in GCC clause 30.2.]*

G. Risk Distribution

21. Insurances (GCC Clause 37)

GCC 37.1 (c)	The Supplier shall obtain Third-Party Liability Insurance in the amount of *[insert:* ***monetary value]*** with deductible limits of no more than *[insert:* ***monetary value]***. The insured Parties shall be *[list* ***insured parties]***. The Insurance shall cover the period from *[insert:* ***beginning date, relative to the Effective Date of the Contract]***until *[insert:* ***expiration date, relative to the Effective Date of the Contract or its completion*** *]*.
GCC 37.1 (e)	***There are no Special Conditions of Contract applicable to GCC Clause 37.1 (e).*** ***[Note:*** *Many countries have statutory requirements for various insurances. These should be reviewed with the Procuring Entity's legal department.* *For example:* *The Supplier shall obtain Worker's Compensation Insurance in accordance with the statutory requirements of [insert:* ***Kenya****]. Specifically: [insert****: requirements****]. The Insurance shall cover the period from [insert:* ***beginning date, relative to the Effective Date of the Contract]*** *until [insert:* ***expiration date, relative to the Effective Date of the Contract or its completion****].* *The Supplier shall obtain Employer's Liability Insurance in accordance with the statutory requirements of [insert:* ***Kenya****]. Specifically: [insert:* ***requirements]****. The Insurance shall cover the period from [insert:* ***beginning date, relative to the Effective Date of the Contract]***until *[insert:* ***expiration date, relative to the Effective Date of Contract or its completion*** *].*

H. CHANGE IN CONTRACT ELEMENTS

23. Changes to the System (GCC Clause 39)

GCC 39.4	**Value Engineering** If the value engineering proposal is approved by the Procuring Entity the amount to be paid to the Supplier shall be ___% (insert appropriate percentage. The percentage is normally up to 50%) of the reduction in the Contract Price.

I. Settlement of Disputes

23. Settlement of Disputes (GCC Clause 43

GCC 43.1.4	The Appointing Authority for the Adjudicator is: *[insert: **the name of an impartial international technical organization in the information technology sector**, or, if no Adjudicator is used in this Contract Agreement or no organization has been identified and agreed to serve as Appointing Authority for the Adjudicator, state **"not applicable."**].*
GCC 43.2.3	If the Supplier is from outside Kenya arbitration proceedings shall be conducted in accordance with the rules of arbitration of *[select one of the following: **UNCITRAL / the International Chamber of Commerce (ICC) / the Arbitration Institute of the Stockholm Chamber of Commerce / the London Court of International Arbitration**].* These rules, in the version in force at the time of the request for arbitration, will be deemed to form part of this Contract. If the Supplier is a national of Kenya, any dispute between the Procuring Entity and a Supplier arising in connection with the present Contract shall be referred to arbitration in accordance with the laws of Kenya.

SECTION VIII - CONTRACT FORMS

Notes to the Procuring Entity on preparing the Contract Forms.

Performance Security: Pursuant to GCC Clause 13.3, the successful Tenderer is required to provide the Performance Security within twenty-eight (28) days of notification of Contract award.

Advance Payment Security: Pursuant to Clause13.2, the successful Tenderer is required to provide a bank guarantee securing the Advance Payment, if the SCC related to GCC Clause 12.1 provides for an Advance Payment.

Installation and Operational Acceptance Certificates: Recommended formats for these certificates are included in this SPD. Unless the Procuring Entity has good reason to require procedures that differ from those recommended, or to require different wording in the certificates, the procedures and forms shall be included unchanged. If the Procuring Entity wishes to amend the recommended procedures and/ or certificates, it may do so before release of the tendering document to potential Tenderers.

Change Order Procedures and Forms: Similar to the Installation and Operational Acceptance Certificates, the Change Estimate Proposal, Estimate Acceptance, Change Proposal, Change Order, and related Forms should be included in the tendering document unaltered. If the Procuring Entity wishes to amend the recommended procedures and/ or certificates, it may do so before release of the tendering document.

Notes to Tenderers on working with the Sample Contractual Forms

The following forms are to be completed and submitted by the successful Tenderer following notification of award: (i) Contract Agreement, with all Appendices; (ii) Performance Security; and (iii) Advance Payment Security.

Contract Agreement: In addition to specifying the parties and the Contract Price, the Contract Agreement is where the:
(i) Supplier Representative; (ii) if applicable, agreed Adjudicator and his/her compensation; and (iii) the List of Approved Subcontractors are specified. In addition, modifications to the successful Tenderer's Tender Price Schedules are attached to the Agreement. These contain corrections and adjustments to the Supplier's tender prices to correct errors, adjust the Contract Price to reflect - if applicable - any extensions to tender validity beyond the last day of original tender validity plus 56 days, etc.

Performance Security: Pursuant to GCC Clause 13.3, the successful Tenderer is required to provide the Performance Security in the form contained in this section of these tendering documents and in the amount specified in accordance with the SCC.

Advance Payment Security: Pursuant to GCC Clause 13.2, the successful Tenderer is required to provide a bank guaranteeforthefullamountoftheAdvancePayment- ifanAdvancePaymentisspecifiedintheSCCforGCCClause
12.1- in the form contained in this section of these tendering documents or another form acceptable to the Procuring Entity. If a Tenderer wishes to propose a different Advance Payment Security form, it should submit a copy to the Procuring Entity promptly for review and confirmation of acceptability before the tender submission deadline.

The Procuring Entity and Supplier will use the following additional forms during Contract implementation to formalize or certify important Contract events: (i) the Installation and Operational Acceptance

Certificates; and (ii) the various Change Order forms. These and the procedures for their use during performance of the Contract are included in the tendering documents for the information of Tenderers.

1. Notification of Intention to Award
[*This Notification of Intention to Award shall be sent to each Tenderer that submitted a Tender.*]
[*Send this Notification to the Tenderer's Authorized Representative named in the Tenderer Information Form*]

For the attention of Tenderer's Authorized Representative Name: ..... *[insert Authorized Representative's name]*

Address: ..... *[insert Authorized Representative's Address]*

Telephone/Fax numbers: ..... *[insert Authorized Representative's telephone/fax numbers]*

Email Address: ..... *[insert Authorized Representative's email address]*

[IMPORTANT: insert the date that this Notification is transmitted to all participating Tenderers. The Notification must be sent to all Tenderers simultaneously. This means on the same date and as close to the same time as possible.]

DATE OF TRANSMISSION: .....This Notification is sent by: [*email/fax*] on[*date*](local time)
Notification of Intention to Award

[Procuring Entity]: ..... *[insert the name of the Procuring Entity]*

Project: .....*[insert name of project]*

Contract title: ..... *[insert the name of the contract]*

Country: .....*[insert country where ITT is issued]*

ITT No: ..... *[insert ITT reference number from Procurement Plan]*

This Notification of Intention to Award (Notification) notifies you of our decision to award the above contract. The transmission of this Notification begins the Standstill Period. During the Standstill Period you may:

a) Request a debriefing inrelation to the evaluation of your Tender, and/ or

b) Submit a Procurement-related Complaint in relation to the decision to award the contract.

i) The successful Tenderer

Name:	[*insert nameof successful Tenderer*]
Address:	[*insert addressof the successful Tenderer*]
Contract price:	[*insert contract priceof the successful Tenderer*]
Total combined score:	[*insert the total combined score of the successful Tenderer*]

1. **Other Tenderers *[INSTRUCTIONS: insert names of all Tenderers that submitted a Tender. If the Tender's price was evaluated include the evaluated price as well as the Tender price as read out.]***

Nameof Tenderer	TechnicalScore (If applicable)	Tenderprice	Evaluated TenderCost	CombinedScore(if applicable)

[*insert name*]	[*insert Technical score*]	[*insert Tender price*]	[*insert evaluated cost*]	[*insert combined score*]
[*insert name*]	[*insert Technical score*]	[*insert Tender price*]	[*insert evaluated cost*]	[*insert combined score*]
[*insert name*]	[*insert Technical score*]	[*insert Tender price*]	[*insert evaluated cost*]	[*insert combined score*]
[*insert name*]	[*insert Technical score*]	[*insert Tender price*]	[*insert evaluated cost*]	[*insert combined score*]
[*insert name*]	[*insert Technical score*]	[*insert Tender price*]	[*insert evaluated cost*]	[*insert combined score*]

1. **Reason/s why your Tender was unsuccessful [*Delete if the combined score already reveals the reason*]**

[INSTRUCTIONS; State the reason/s why this Tenderer's Tender was unsuccessful. Do NOT include: (a) a point by point comparison with another Tenderer's Tender or (b) information that is marked confidential by the Tenderer in its Tender.]

3. ***How to request a debriefing***

DEADLINE: The deadline to request a debriefing expires at midnight on [*insert date*] (local time).

You may request a debriefing in relation to the results of the evaluation of your Tender. If you decide to request a debriefing your written request must be made within three (3) Business Days of receipt of this Notification of Intention to Award.

Provide the contract name, reference number, name of the Tenderer, contact details; and address the request for debriefing as follows:

Attention: [*insert full name of person, if applicable*] **Title/position**:_____[*insert title/position*]

Agency: [*insert name of Procuring Entity*] **Email address**:_____[*insert email address*] **Fax**

number:_____[*insert fax number*] ***delete if not used***

If your request for a debriefing is received within the 3 Business Days deadline, we will provide the debriefing within five (5) Business Days of receipt of your request. If we are unable to provide the debriefing within this period, the Standstill Period shall be extended by five (5) Business Days after the date that the debriefing is provided. If this happens, we will notify you and confirm the date that the extended Standstill Period will end.

The debriefing may be in writing, by phone, video conference call or in person. We shall promptly advise you in writing how the debriefing will take place and confirm the date and time.
If the deadline to request a debriefing has expired, you may still request a debriefing. In this case, we will provide the debriefing as soon as practicable, and normally no later than fifteen (15) Business Days from the date of publication of the Contract Award Notice.

4. **How to make a complaint**

DEADLINE: The deadline for submitting a Procurement-related Complaint challenging the decision to award the contract expires on midnight, [*insert date*] (local time).

Provide the contract name, reference number, name of the Tenderer, contact details; and address the Procurement- related Complaint as follows:

Attention: [*insert full name of person, if applicable*] **Title/position**:_____[*insert title/position*]

Agency: [*insert name of Procuring Entity*] **Email address**:_____[*insert email address*]

At this point in the procurement process, you may submit a Procurement-related Complaint challenging the decision to award the contract. You do not need to have requested, or received, a debriefing before making this complaint. Your complaint must be submitted within the Standstill Period and received by us before the Standstill Period ends. Further information:

For more information refer to the Public Procurement and Disposals Act 2015 and its Regulations available from the Website info@ppra.go.ke or complaints@ppra.go.ke.

In summary, there are four essential requirements:

1. You must be an' interested party'. In this case, that means a Tenderer who submitted a Tender in this procurement, and is the recipient of a Notification of Intention to Award.
2. The complaint can only challenge the decision to award the contract.
3. You must submit the complaint within the deadline stated above.
4. You must include, in your complaint, all of the information required by the Procurement Regulations (as described in Annex III).

5. Standstill Period

DEADLINE: The Standstill Period is due to end at midnight on [*insert date*] (local time).

The Standstill Period lasts ten (10) Business Days after the date of transmission of this Notification of Intention to Award.

The Standstill Period may be extended. This may happen where we are unable to provide a debriefing within the five (5) Business Day deadline. If this happens we will notify you of the extension.

If you have any questions regarding this Notification please do not hesitate to contact us. On behalf of the Procuring Entity:

Signature:_____

Name:_____

Title/position:

_____

Telephone:_____

Email: _____

2. Notification of Award-Form of Acceptance

_____)_____

To: _____

This is to notify you that your Tender dated_____for execution of the_____ for the Contract Price in the aggregate of_____, as corrected and modified in accordance with the Instructions to Tenderers is here by accepted by our Agency.

You are requested to furnish the Performance Security within 28 days in accordance with the Conditions of Contract, using for that purpose one of the Performance Security Forms included in Section X, - Contract Forms, of the Tendering Document.

Authorized Signature:_____

Name and Title of Signatory:_____

Name of Agency:_____

Attachment: Contract Agreement

3 ***Contract Agreement***

THIS CONTRACT AGREEMENT is made on the ***.....[insert: ordinal]*** day of ..... ***[insert: month], [insert: year].*** BETWEEN (1) ***..... [insert: Name of Procuring Entity],*** a ***[insert: description of type of legal entity, for example, an agency of the Department of.....]*** of the Government of Kenya***,*** or corporation incorporated under the laws of Kenya and having its principal place of business at ***[insert: address of Procuring Entity]*** (here in after called "the Procuring Entity"), and (2).....***[insert: name of Supplier],*** a corporation incorporated under the laws of ***[insert: country of Supplier]*** and having its principal place of business at ***[insert: address of Supplier]*** (here in after called "the Supplier").

WHEREAS the Procuring Entity desires to engage the Supplier to supply, install, achieve Operational Acceptance of, and support the following Information System ***[insert: brief description of the Information System]*** ("the System"), and the Supplier has agreed to such engagement upon and subject to the terms and conditions appearing below in this Contract Agreement.

NOW IT IS HERE BY AGREED as follows:

Article 1. Contract Documents

1. Contract Documents (Reference GCC Clause1.1(a) (ii))
   The following documents shall constitute the Contract between the Procuring Entity and the Supplier, and each shall be read and construed as an integral part of the Contract:
   a) This Contract Agreement and the Appendices attached to the Contract Agreement
   b) Special Conditions of Contract
   c) General Conditions of Contract
   d) Technical Requirements (including Implementation Schedule)
   e) The Supplier's tender and original Price Schedules
   f) [Add here: any other documents]

1.2 Order of Precedence (Reference GCC Clause 2)
In the event of any ambiguity or conflict between the Contract Documents listed above, the order of precedence shall be the order in which the Contract Documents are listed in Article 1.1 (Contract Documents) above, provided that Appendix 7 shall prevail over all provisions of the Contract Agreement and the other Appendices attached to the Contract Agreement and all the other Contract Documents listed in Article 1.1above.

1.3 Definitions (Reference GCC Clause1)
Capitalized words and phrases used in this Contract Agreement shall have the same meanings as prescribed to them in the General Conditions of Contract.

Article 2.
Contract Price and Terms of Payment

2.1 Contract Price (Reference GCC Clause 1.1(a)(viii) and GCC Clause 11) The Procuring Entity here by agrees to pay to the Supplier the Contract Price in consideration of the performance by the Supplier of its obligations under the Contract. The Contract Price shall be the aggregate of: [***insert: amount of foreign currency A in words], [insert: amount in figures],*** plus ***[insert: amount of foreign currency B in words], [insert: amount in figures],*** plus ***[insert: amount of foreign currency C in words], [insert: amount in figures], [insert: amount of local currency in words], [insert: amount in figures],*** as specified in the Grand Summary Price Schedule.

The Contract Price shall be understood to reflect the terms and conditions used in the specification of prices in the detailed price schedules, including the terms and conditions of the associated incoterms, and the taxes, duties and related levies if and as identified.

Article 3.
Effective Date for Determining Time for Operational Acceptance

3.1 Effective Date (Reference GCC Clause 1.1(e) (ix))

The time allowed for supply, installation, and achieving Operational Acceptance of the System shall be determined from the date when all of the following conditions have been fulfilled:

a) This Contract Agreement has been duly executed for and on behalf of the Procuring Entity and the Supplier;

b) The Supplier has submitted to the Procuring Entity the performance security and the advance payment security, in accordance with GCC Clause 13.2 and GCC Clause13.3;

c) The Procuring Entity has paid the Supplier the advance payment, in accordance with GCC Clause 12; Each party shall use its best efforts to fulfill the above conditions for which it is responsible as soon as practicable.

3.2 If the conditions listed under 3.1 are not fulfilled within two (2) months from the date of this Contract Agreement because of reasons not attributable to the Supplier, the parties shall discuss and agree on an equitable adjustment to the Contract Price and the Time for Achieving Operational Acceptance and/or other relevant conditions of the Contract.

4 Appendixes

4.1 The Appendixes listed below shall be deemed to form an integral part of this Contract Agreement.

4.2 Reference in the Contract to any Appendix shall mean the Appendixes listed below and attached to this Contract Agreement, and the Contract shall be read and construed accordingly.

APPENDIXES
Appendix 1. Supplier's Representative
Appendix 2. Adjudicator *[If there is no Adjudicator, state **"not applicable"**]*
Appendix 3. List of Approved Subcontractors
Appendix 4. Categories of Software
Appendix 5. Custom Materials
Appendix 6. Revised Price Schedules (if any)
Appendix 7. Minutes of Contract Finalization Discussions and Agreed-to Contract Amendments

IN WITNESS WHEREOF the Procuring Entity and the Supplier have caused this Agreement to be duly executed by their duly authorized representatives the day and year first above written.

i) ***For and on behalf of the Procuring Entity***
Signed:

in the capacity of ***[insert: title or other appropriate designation]***
in the presence of_____

ii) ***For and on behalf of the Supplier***
Signed:

in the capacity of ***[insert: title or other appropriate designation]***
in the presence of_____

4 Appendices

a) Appendix 1. Supplier's Representative

In accordance with GCC Clause 1.1 (b) (iv), the Supplier's Representative is:

Name: .....*[insert: name and provide title and address further below, or state "to be nominated within fourteen (14) days of the Effective Date"]*

Title: .....*[if appropriate, insert: title]*

In accordance with GCC Clause 4.3, the Supplier's addresses for notices under the Contract are:

Address of the Supplier's Representative: .....[***as appropriate, insert: personal delivery, postal, cable, facsimile, electronic mail, and/or EDI addresses.]***

Fallback address of the Supplier: .....[***as appropriate, insert: personal delivery, postal, cable, facsimile, electronic mail, and/or EDI addresses.]***

b) **Appendix**

2. Adjudicator in accordance with GCC Clause1.1 (b) (vi), the agreed-upon Adjudicator is: Name:

..... ***[insert: name]*** Title: ..... ***[insert: title]***

Address: .....***[insert: postal address]*** Telephone:

..... ***[insert: telephone]*** in accordance with GCC Clause 43.1.3, the

agreed-upon fees and reimbursable expenses are: Hourly Fees: .....

[insert: hourly fees] Reimbursable Expenses: .....***[list: reimbursables]***

Pursuant to GCC Clause 43.1.4, if at the time of Contract signing, agreement has not been reached between the Procuring Entity and the Supplier, an Adjudicator will be appointed by the Appointing Authority named in the SCC.

c) Appendix 3. List of Approved Subcontractors

The Procuring Entity has approved use of the following Subcontractors nominated by the Supplier for carrying out the item or component of the System indicated. Where more than one Subcontractor is listed, the Supplier is free to choose between them, but it must notify the Procuring Entity of its choice sufficiently in advance of the time when the subcontracted work needs to commence to give the Procuring Entity reasonable time for review. In accordance with GCC Clause 20.1, the Supplier is free to submit proposals for Subcontractors for additional items from time to time. No subcontracts shall be placed with any such Subcontractors for additional items until the Subcontractors have been approved in writing by the Procuring Entity and their names have been added to this list of Approved Subcontractors, subject to GCC Clause20.3.

[specify: item, approved Subcontractors, and their place of registration that the Supplier proposed in the corresponding attachment to its tender and that the Procuring Entity approves that the Supplier engage during the performance of the Contract. Add additional pages as necessary.]

Item	Approved Subcontractors	Place of Registration

d) Appendix 4. Categories of Software

The following table assigns each item of Software supplied and installed under the Contract to one of the three categories: (i) System Software, (ii) General-Purpose Software, or (iii) Application Software; and to one of the two categories: (i) Standard Software or (ii) Custom Software.

	(select one per item)			(select one per item)	
Software Item	**System Software**	**General-Purpose Software**	**Application Software**	**Standard Software**	**Custom Software**

e) Appendix 5. Custom Materials

The follow table specifies the Custom Materials the Supplier will provide under the Contract.

Custom Materials

f) Appendix 6. Revised Price Schedules

The attached Revised Price Schedules (if any) shall form part of this Contract Agreement and, where differences exist, shall supersede the Price Schedules contained in the Supplier's Tender. These Revised Price Schedules reflect any corrections or adjustments to the Supplier's tender price, pursuant to the ITT Clauses 30.3 and 38.2.

g) Appendix 7. Minutes of Contract Finalization Discussions and Agreed-to Contract Amendments

The attached Contract amendments (if any) shall form part of this Contract Agreement and, where differences exist, shall supersede the relevant clauses in the GCC, SCC, Technical Requirements, or other parts of this Contract as defined in GCC Clause 1.1 (a) (ii).

5. Performance and Advance Payment Security Forms

5.1 Performance Security Form (Demand Bank Guarantee)

[The bank, as requested by the successful Tenderer, shall fill in this form in accordance with the instructions

indicated] [Guarantor Form head or SWIFT identifier code] .....
[insert: ***Bank's Name, and Address of Issuing Branch or Office****]*
Beneficiary: ..... *[insert:* ***Name and Address of Procuring Entity****]*
Date: ..... ***[****insert:* ***date****]*
PERFORMANCE GUARANTEE No.: ..... ***[****insert:* ***Performance Guarantee Number****]* **Guarantor:** **.....** *[Insert name and address of place of issue, unless indicated in the Form head.]*

We have been informed that on *[insert:* ***date of award****]* you awarded Contract No. *[insert:* ***Contract number****]* for *[insert:* ***title and/or brief description of the Contract****]* (hereinafter called "the Contract") to *[insert:* ***complete name of Supplier which in the case of a joint venture shall be in the name of the joint venture****]* (hereinafter called "the Applicant"). Furthermore, we understand that, according to the conditions of the Contract, a performance guarantee is required.

At the request of the Applicant, we as Guarantor here by irrevocably undertake to pay you any sum(s) not exceeding *[insert:* ***amount(s)***[1] ***in figures and words****]* such sum being payable in the types and proportions of currencies which the Contract Price is payable upon receipt by us of the Beneficiary's statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating that the Applicant is in breach of its obligation(s) under the contract without the Beneficiary needing to prove or to showgrounds or reasons for their demand or the sum specified there in.

On the date of your issuing, to the Supplier, the Operational Acceptance Certificate for the System, the value of this guarantee will be reduced to any sum(s) not exceeding..... *[insert:* ***amount(s) 4 in figures and words****]*. This remaining guarantee shall expire no later than.....*[insert:* ***number*** *and select:* ***of months/of years*** *(of the Warranty Period that needs to be covered by the remaining guarantee)]* from the date of the Operational Acceptance Certificate for the System[2], and any demand for payment under it must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees, (URDG) 2010 Revision, ICC Publication No. 758, except that the supporting statement under 15 (a) is hereby excluded.

_____

[Signature(s)]

Note: All italicized text (including footnotes) is for use in preparing this form and shall be deleted from the final product.

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[1] *The bank shall insert the amount(s) specified and denominated in the SCC for GCC Clauses 13.3.1 and 13.3.4 respectively, either in the currency(ies) of the Contract or a freely convertible currency acceptable to the Procuring Entity.*

[2] *In this sample form, the formulation of this paragraph reflects the usual SCC provisions for GCC Clause 13.3. However, if the SCC for GCC Clauses 13.3.1 and 13.3.4 varies from the usual provisions, the paragraph, and possibly the previous paragraph, need to be adjusted to precisely reflect the provisions specified in the SCC.*

5.2 Advance Payment Security

Demand Bank Guarantee

[Guarantor Form head or SWIFT identifier code]

Beneficiary: ..... *[insert:* ***Name and Address of Procuring Entity****]*

Date: ..... *[****insert date of issue****]*

ADVANCE PAYMENT GUARANTEE No.: ..... [*insert:* ***Advance Payment Guarantee Number****]*

Guarantor: ..... *[Insert name and address of place of issue, unless indicated in the Form head]*

We have been informed that on.....*[insert:* ***date of award****]* you awarded Contract No. *[insert:* ***Contract number****]* for .....*[insert:* ***title and/or brief description of the Contract****]* (here in after called "the Contract") to *[insert:* ***complete name of Supplier, which in the case of a joint venture shall be the name of the joint venture****]* (here in after called" the Applicant").

Furthermore, we understand that, according to the conditions of the Contract, an advance payment in the sum of ***[insert: amount in numbers and words, for each currency of the advance payment]*** is to be made to the Supplier against an advance payment guarantee.

At the request of the Applicant, we as Guarantor, here by irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of.....*[insert amount in figures]* ( ) *[insert amount in words]*[1] upon receipt by us of the Beneficiary's complying demand supported by the Beneficiary's statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, stating either that the Applicant:

(a) Has used the advance payment for purposes other than toward delivery of Goods; or

(b) has failed to repay the advance payment in accordance with the Contract conditions, specifying the amount which the Applicant has failed to repay.

A demand under this guarantee may be presented as from the presentation to the Guarantor of a certificate from the Beneficiary's bank stating that the advance payment referred to above has been credited to the Applicant on its account number.....*[insert number]*at.....*[insert name and address of Applicant's bank]*.

The maximum amount of this guarantee shall be progressively reduced by the amount of the advance payment repaid by the Applicant as specified in copies of interim statements or payment certificates which shall be presented to us. This guarantee shall expire, at the latest, upon our receipt of a copy of the interim payment certificate indicating that ninety
(90) percent of the Accepted Contract Amount, has been certified for payment, or on the.....*[insert day]* day of.....*[insert month]*, 2 *[insert year]*, whichever is earlier. Consequently, any demand for payment under this guarantee must be received by us at this office on or before that date.

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication No.758, except that the supporting statement under Article 15(a) is hereby excluded.

[signature(s)]

Note: All italicized text (including footnotes) is for use in preparing this form and shall be deleted from the final product.

6 Installation and Acceptance Certificates *(insert format)*

Installation Certificate

Date: ..... ***[insert: date]***

ITT: ..... ***[insert: title and number of ITT]***

Contract: ..... ***[insert: name and number of Contract]***

To: ..... ***[insert: name and address of Supplier]***

Dear Sir or Madam:

Pursuant to GCC Clause 26 (Installation of the System) of the Contract entered into between yourselves and the..... ***[insert: name of Procuring Entity]*** (hereinafter the "Procuring Entity") dated..... ***[insert: date of Contract],*** relating to the.....***[insert: brief description of the Information System],*** we hereby notify you that the System (or a Subsystem or major component thereof) was deemed to have been correctly installed on the date specified below.

1. Description of the System (or relevant Subsystem or major component: ..... ***[insert: description]***

2. Date of Installation: ..... ***[insert: date]***

Notwithstanding the above, you are required to complete the outstanding items listed in the attachment to this certificate as soon as practicable. This Form shall not relieve you of your obligation to achieve Operational Acceptance of the System in accordance with the Contract nor of your obligations during the Warranty Period.

For and on behalf of the Procuring Entity

Signed: .....

Date: .....

in the capacity of: .....[***state: "Project Manager" or state the title of a higher-level authority in the Procuring Entity's organization]***

1.1 Operational Acceptance Certificate

Date: .....*[insert: date]*

ITT: .....*[insert: title and number of ITT]*

Contract: .....*[insert: name of System or Subsystem and number of Contract]*

To: .....*[insert: name and address of Supplier]*

Dear Sir or Madam:

Pursuant to GCC Clause 27 (Commissioning and Operational Acceptance) of the Contract entered into between yourselves and the.....***[insert: name of Procuring Entity]*** (hereinafter the "Procuring Entity") dated..... ***[insert: date of Contract],*** relating to the.....***[insert: brief description of the Information System],*** we hereby notify you the System (or the Subsystem or major component identified below) successfully completed the Operational Acceptance Tests specified in the Contract. In accordance with the terms of the Contract, the Procuring Entity here by takes over the System (or the Subsystem or major component identified below), together with the responsibility for care and custody and the risk of loss thereof on the date mentioned below.

1. Description of the System (or Subsystem or major component): .....[***insert: description]***
2. Date of Operational Acceptance: .....[***insert: date]***

   This Form shall not relieve you of your remaining performance obligations under the Contract nor of your obligations during the Warranty Period.

For and on behalf of the Procuring Entity

Signed: .....

Date: .....

in the capacity of: .....*[**state: "Project Manager" or higher-level authority in the Procuring Entity's organization]***

7. Change Order Procedures and Forms

Date: .....*[insert: date]*

ITT: .....*[insert: title and number of ITT]*

Contract: .....*[insert: name or System or Subsystem and number of Contract]*

General

This section provides samples of procedures and forms for carrying out changes to the System during the performance of the Contract in accordance with GCC Clause 39 (Changes to the System) of the Contract.

Change Order Log

The Supplier shall keep an up-to-date Change Order Log to show the current status of Requests for Change and Change Orders authorized or pending. Changes shall be entered regularly in the Change Order Log to ensure that the log is kept up-to-date. The Supplier shall attach a copy of the current Change Order Log in the monthly progress report to be submitted to the Procuring Entity.

References to Changes

1) Request for Change Proposals (including Application for Change Proposals) shall be serially numbered CR-nnn.
2) Change Estimate Proposals shall be numbered CN-nnn.
3) Estimate Acceptances shall be numbered CA-nnn.
4) Change Proposals shall be numbered CP-nnn.
5) Change Orders shall be numbered CO-nnn. On all forms, the numbering shall be determined by the original CR-nnn.

Annexes

7.1 Request for Change Proposal Form

7.2 Change Estimate Proposal Form

7.3 Estimate Acceptance Form

7.4 Change Proposal Form

7.5 Change Order Form

7.6 Application for Change Proposal Form

7.1 Request for Change Proposal Form

(Procuring Entity's Form head)

Date: .....*[insert: date]*
ITT: .....*[insert: title and number of ITT]*
Contract: .....*[insert: name of System or Subsystem or number of Contract]*
To: .....*[insert: name of Supplier and address]*
Attention: .....*[insert: name and title]*

Dear Sir or Madam:

With reference to the above-referenced Contract, you are requested to prepare and submit a Change Proposal for the Change noted below in accordance with the following instructions within ***[insert: number]*** days of the date of this Form.

1. Title of Change: [***insert: title]***
2. Request for Change No./Rev.: [***insert: number]***
3. Originator of Change: *[**select Procuring Entity / Supplier (by Application for Change Proposal), and add: name of originator]***
4. Brief Description of Change: *[**insert: description]***
5. System (or Subsystem or major component affected by requested Change): [***insert: description]***
6. Technical documents and/ or drawings for the request of

   Change: Document or Drawing No. Description
7. Detailed conditions or special requirements of the requested Change: [***insert: description]***
8. Procedures to be followed:
   a) Your Change Proposal will have to show what effect the requested Change will have on the Contract Price.
   b) Your Change Proposal shall explain the time it will take to complete the requested Change and the impact, if any, it will have on the date when Operational Acceptance of the entire System agreed in the Contract.
   c) If you believe implementation of the requested Change will have a negative impact on the quality, operability, or integrity of the System, please provide a detailed explanation, including other approaches that might achieve the same impact as the requested Change.
   d) You should also indicate what impact the Change will have on the number and mix of staff needed by the Supplier to perform the Contract.
   e) You shall not proceed with the execution of work related to the requested Change until we have accepted and confirmed the impact it will have on the Contract Price and the Implementation Schedule in writing.

9. As next step, please respond using the Change Estimate Proposal form, indicating how much it will cost you to prepare a concrete Change Proposal that will describe the proposed approach for implementing the Change, all it's elements, and will also address the points in paragraph 8 above pursuant to GCC Clause 39.2.1. Your Change Estimate Proposal should contain a first approximation of the proposed approach, and implications for schedule and cost, of the Change.

For and on behalf of the Procuring Entity

Signed: .....

Date: .....

in the capacity of: .....[***state: "Project Manager" or higher-level authority in the Procuring Entity's organization]***

7.2 Change Estimate Proposal Form
(Supplier's Form head)

Date: .....*[insert: date]*

ITT: .....*[insert: title and number of ITT]*

Contract: .....*[insert: name of System or Subsystem and number of Contract]*

To: .....*[insert: name of Procuring Entity and address]*

Attention: ..... *[insert: name and title]*

Dear Sir or Madam:

With reference to your Request for Change Proposal, we are pleased to notify you of the approximate cost of preparing the below-referenced Change in accordance with GCC Clause 39.2.1 of the Contract. We acknowledge that your agreement to the cost of preparing the Change Proposal, in accordance with GCC Clause 39.2.2, is required before we proceed to prepare the actual Change Proposal including a detailed estimate of the cost of implementing the Change itself.

1. Title of Change: .....*[insert: title]*

2. Request for Change No./Rev.: .....*[insert: number]*

3. Brief Description of Change (including proposed implementation approach): .....*[insert: description]*

4. Schedule Impact of Change (initial estimate): .....*[insert: description]*

5. Initial Cost Estimate for Implementing the Change: .....*[insert: initial cost estimate]*

6. Cost for Preparation of Change Proposal: .....*[insert: cost in the currencies of the Contract],* as detailed below in the breakdown of prices, rates, and quantities.

For and on behalf of the Supplier Signed:

.....

Date: .....

in the capacity of: .....*[state: "Supplier's Representative" or other higher-level authority in the Supplier's organization]*

7.3 **Estimate Acceptance Form**

(Procuring Entity's Form head) Date: .....*[insert: date]*

ITT.....*[insert: title and number of ITT]*

Contract: .....*[insert: name of System or Subsystem and number of Contract]*

To: .....*[insert: name of Supplier and address]*

Attention: .....*[insert: name and title]*

Dear Sir or Madam:

We hereby accept your Change Estimate and agree that you should proceed with the preparation of a formal Change Proposal.

1. Title of Change: *[insert: title]*
2. Request for Change No./ Rev.: *[insert: request number /revision]*
3. Change Estimate Proposal No./ Rev.: *[insert: proposal number/ revision]*
4. Estimate Acceptance No./ Rev.: *[insert: estimate number/ revision]*
5. Brief Description of Change: *[insert: description]*
6. Other Terms and Conditions:

In the event that we decide not to order the Change referenced above, you shall be entitled to compensation for the cost of preparing the Change Proposal up to the amount estimated for this purpose in the Change Estimate Proposal, in accordance with GCC Clause 39 of the General Conditions of Contract.

For and on behalf of the Procuring Entity

Signed: .....

Date: .....

in the capacity of: .....*[state: "Project Manager" or higher-level authority in the Procuring Entity's organization]*

7.4 Change Proposal Form

(Supplier's Form head)

Date: .....*[insert: date]*
ITT: .....*[insert: title and number of ITT]*
Contract: .....*[insert: name of System or Subsystem and number of Contract]*

To: .....*[insert: name of Procuring Entity and address]*

Attention: .....***[insert: name and title]***

Dear Sir or Madam:

In response to your Request for Change Proposal No. *[insert: number],* we here by submit our proposal as follows:

1. Title of Change: *[insert: name]*
2. Change Proposal No./ Rev.: *[insert: proposal number /revision]*
3. Origin at or of Change: *[select: Procuring Entity /Supplier; and add: name]*
4. Brief Description of Change: *[insert: description]*
5. Reasons for Change: *[insert: reason]*
6. The System Subsystem, major component, or equipment that will be affected by the requested Change: *[insert: description]*
7. Technical documents and/ or drawings for the requested Change: Document or Drawing No. Description
8. Estimate of the increase/ decrease to the Contract Price resulting from the proposed Change: *[insert: amount in currencies of Contract],* as detailed below in the breakdown of prices, rates, and quantities. Total lump sum cost of the Change:

   Cost to prepare this Change Proposal (i. e., the amount payable if the Change is not accepted, limited as provided by GCC Clause 39.2.6):
9. Additional Time for Achieving Operational Acceptance required due to the Change: *[insert: amount in days/ weeks]*
10. Effect on the Functional Guarantees: *[insert: description]*
11. Effect on the other terms and conditions of the Contract: ***[insert: description]***
12. Validity of this Proposal: for a period of .....*[insert: number]* days after receipt of this Proposal by the Procuring Entity
13. Procedures to be followed:

    a) You are requested to notify us of your acceptance, comments, or rejection of this detailed Change Proposal within.....*[insert: number]* days from your receipt of this Proposal.

    b) The amount of any increase and / or decrease shall be taken into account in the adjustment of the Contract Price.

For and on behalf of the Supplier
Signed: .....

Date: .....

in the capacity of: ..... *[state: "Supplier's Representative" or other higher-level authority in the Supplier's organization]*

7.5 Change Order Form

(Procuring Entity's Form head)

Date: .....***[insert: date]***

ITT: .....***[insert: title and number of ITT]***

Contract: .....***[insert: name of System or Subsystem and number of Contract]***

To: .....*[**insert: name of Supplier and address]***

Attention: .....*[**insert: name and title]***

Dear Sir or Madam:

We hereby approve the Change Order for the work specified in Change Proposal No. ***[insert: number***], and agree to adjust the Contract Price, Time for Completion, and/ or other conditions of the Contract in accordance with GCC Clause 39 of the Contract.

1. Title of Change: [***insert: name]***
2. Request for Change No./ Rev.: [***insert: request number/ revision]***
3. Change Order No./ Rev.: [***insert: order number/ revision]***
4. Origin at or of Change: [***select: Procuring Entity / Supplier; and add: name]***
5. Authorized Price for the Change: Ref. No.: *[**insert: number]*** Date: *[**insert: date]***

   [insert: amount in foreign currency A] plus ***[insert: amount in foreign currency B]*** plus ***[insert: amount in foreign currency C]*** plus ***[insert: amount in local currency]***
6. Adjustment of Time for Achieving Operational Acceptance: *[**insert: amount and description of adjustment]***
7. Other effects, if any: *[**state: "none" or insert description]***

For and on behalf of the Procuring Entity

Signed: .....

Date: .....

in the capacity of: .....***[state: "Project Manager" or higher-level authority in the Procuring Entity's organization]***

For and on behalf of the Supplier

Signed: .....

Date: .....

in the capacity of: .....[***state "Supplier's Representative" or higher-level authority in the Supplier's organization]***

7.6 Application for Change Proposal Form

(Supplier's Form head)

Date: .....*[insert: date]*

ITT: .....*[insert: title and number of ITT]*

Contract: .....*[insert: name of System or Subsystem and number of Contract]*

To: .....*[insert: name of Procuring Entity and address]*

Attention: .....*[insert: name and title]*

Dear Sir or Madam:

We hereby propose that the below-mentioned work be treated as a Change

to the System.

1. Title of Change: .....*[insert: name]*
2. Application for Change Proposal No./ Rev.: .....*[insert: number/ revision]* dated: [*insert: date]*
3. Brief Description of Change: .....*[insert: description]*
4. Reasons for Change: .....*[insert: description]*
5. Order of Magnitude Estimation: .....*[insert: amount in currencies of the Contract]*
6. Schedule Impact of Change: .....*[insert: description]*
7. Effect on Functional Guarantees, if any: .....*[insert: description]*
8. Appendix: .....*[insert: titles (if any); otherwise state "none"]*

For and on behalf of the Supplier

Signed: .....

Date: .....

in the capacity of: .....*[state: "Supplier's Representative" or higher-level authority in the Supplier's organization]*

ANNEXURES

ANNEXURE A — SUMMARY OF IN-SCOPE SERVERS

The Vendor shall complete and return the following table as part of their technical proposal, confirming proposed OCI instance types for each workload category:

#	Workload / Server Group	Current OS	vCPU	RAM (GB)	Storage (TB)	Count	OCI Region
1	Oracle EBS App Server	OL 8.6	2	48	1.5	2	[To be completed]
2	Oracle DB 19c Server	OL 8.6	2	48	1.5	2	[To be completed]
3	Oracle Linux VMs (KVM)	OL 8.6	TBD	TBD	TBD	16	[To be completed]
4	Active Directory	Windows Server	TBD	TBD	TBD	TBD	[To be completed]
5	Microsoft Exchange	Windows Server	TBD	TBD	TBD	TBD	[To be completed]
6	TeamMate App + DB	Windows Server	TBD	TBD	TBD	TBD	[To be completed]
7	File Server / BussApps	Windows Server	TBD	TBD	TBD	TBD	[To be completed]
8	Other Windows Servers	Windows Server	TBD	TBD	TBD	TBD	[To be completed]
9	..						
10	..						
	TOTAL					**~60+**	

ANNEXURE B — SLA RESPONSE AND RESOLUTION TIME SUMMARY

Severity		Definition	Response Time	Resolution Target	Notification
Sev 1 — Critical		Complete production outage or data loss risk	15 min (24x7)	2 hrs (DB) / 4 hrs (EBS)	Immediate phone + email
Sev 2 — Major		Significant degradation, workaround exists	30 min (24x7)	4 hrs (DB) / 8 hrs (EBS)	Email within 30 min
Sev 3 — Minor		Limited impact, acceptable workaround	2 hrs (biz hrs)	1 business day	Email ticket update

ANNEXURE C — DEFINITIONS

Term	Definition
Kenya Re	Kenya Reinsurance Corporation Limited
OCI	Oracle Cloud Infrastructure
EBS	Oracle E-Business Suite Release 12.2.10
MSP	Managed Service Provider — Sybyl Kenya Limited or designated Oracle-authorised partner
BYOL	Bring Your Own Licence — use of existing on-premises Oracle licences on OCI
ZDM	Oracle Zero Downtime Migration — Oracle's tooling for migrating databases with minimal downtime
PITR	Point-In-Time Recovery — ability to restore a database to any point in its log history
RTO	Recovery Time Objective — maximum acceptable time to restore service after an incident
RPO	Recovery Point Objective — maximum acceptable data loss measured in time
IAM	Identity and Access Management
SLA	Service Level Agreement
TAS	Transition Assistance Schedule — document describing exit migration process
RMAN	Oracle Recovery Manager — Oracle's native backup and recovery tool

KENYA RE

PUBLIC

KENYA REINSURANCE CORPORATION LIMITED

QUALITY POLICY

As a ***leading partner in securing the future***, we commit to ***provide sustainable risk and financial solutions*** through:

- Provision of risk management solutions that secure the future and create value for our stakeholders.
- Compliance with International Standards as well as Quality Management System (QMS) requirements as outlined in ISO 9001.
- Compliance with all applicable regulatory and statutory requirements, and any other requirements that may not be statutory/regulatory.

We undertake to realize the above by tracking and monitoring the performance of our Corporate Objectives, as outlined below:

i) **Growing shareholders' value** by improving the quality of reinsurance business portfolio; maximizing return on investments; containing management expenses and improving credit control operations.

ii) **Improving customer centricity** through enhancing customer satisfaction; maintaining ISO 27001 and ISO 9001 certifications and initiating IT capability and maturity assessment.

iii) **Improving analytics capabilities** by utilizing smart analytics to increase efficiency and grow into new markets.

iv) **Leveraging on technology to improve processes** by enhancing use of new information technologies; providing a robust and secure IT infrastructure; enhancing collaboration across the Corporation through digital solutions and protecting integrity of the Corporation's information and IT assets.

v) **Growing market share** through enhancing brand visibility and recognition; improving credit rating; and advocating for domestication of insurance and reinsurance for government projects.

vi) **Strengthening the human resource capacity** by attracting and retaining competent and diverse human resource; building staff capacity; implementing a culture change programme and strengthening performance management systems.

vii) **Strengthening governance practices** by reviewing the existing legal and regulatory framework and streamlining decision-making authority levels within the Kenya Re Group.

viii) **Enhancing enterprise risk management** through enhancing risk maturity; enhancing business continuity and enhancing actuarial function.

ix) **Strengthening internal controls** by enhancing assurance reporting to the HQ and subsidiary audit committee boards and enhancing internal controls.

Consistent with this policy, specific quality objectives have been established at relevant functions and levels within the Corporation. By mutual encouragement, commitment and cooperation through teamwork, all Kenya Re employees will perform their tasks diligently towards the achievement of our quality objectives and continual improvement of the quality management system.

This Policy shall be communicated and understood internally by all employees, and externally by all other stakeholders as well (through our website: www.kenyare.co.ke). It shall be reviewed for continuing suitability taking into account changing Quality Management System requirements and other best practices.

DR. HILLARY WACHINGA,

MANAGING DIRECTOR **DATE:** 3/6/2026

PUBLIC

KENYA REINSURANCE CORPORATION LIMITED

INFORMATION SECURITY POLICY

It is the policy of the Kenya Reinsurance Corporation (Kenya Re) that information confidentiality, integrity, and availability requirements, needs and expectations of interested parties are identified and that information is protected through a systematic process of risk assessment and risk treatment to satisfy, as appropriate, interested parties and needs of the Corporation in consideration of its mission to provide risk management solutions that secure the future and create value for stakeholders.

To ensure the integration and effective management of information security practices within Kenya Re, an Information Security Management System (ISMS) has been established, implemented, maintained, and shall be continually improved in accordance with the requirements of ISO/IEC 27001. The management system shall be independently audited for conformity at least once annually and results reported to the Managing Director.

As part of this framework, measurable information security objectives shall be established and monitored in the Corporation at all departmental levels. The overall performance of the ISMS shall be reviewed by the Management at planned intervals, and at least once annually or in the event of significant changes to ensure the continuing suitability, adequacy, and effectiveness of the ISMS.

The Corporation is committed to:-

- Establishing, implementing, maintaining, and continually improving the ISMS in accordance with the requirements of ISO/IEC 27001,
- Establishing and reviewing Information Security objectives at all Functions,
- Managing of information security risks through risk assessment and treatment,
- Reviewing the ISMS at planned intervals and in the event of significant changes to ensure its continuing suitability, adequacy, and effectiveness, and
- Providing assurance to interested parties of the Corporation's information security capability and commitment in meeting their requirements and expectations though third-party audits.

This Policy shall be communicated and understood internally by all employees, and externally by all other stakeholders as well (through our website: www.kenyare.co.ke). It shall be reviewed for continuing suitability taking into account changing Information Security Management System requirements and other best practices.

DR. HILLARY WACHINGA,

MANAGING DIRECTOR **DATE:** 3/6/2026

PUBLIC

KENYA REINSURANCE CORPORATION LIMITED

ANTI – CORRUPTION POLICY

Kenya Re has committed itself to "Zero" tolerance on corruption and working with the government and other agencies in tackling the vice. Part of our corporate values is "integrity"; Kenya Re does not engage in corruption or any form of unethical inducement or payment including facilitation payments and "kickbacks".

In order to achieve this, Kenya Re is committed to ensure that:

- No form of bribery or corruption is tolerated.
- Strong internal controls to avert any form of corruption are put in place at all times.
- All employees avoid any activities that might lead to or suggest a conflict of interest with the business of the Corporation.
- Employees declare gifts accepted or offered which will be subjected to managerial review.
- A strong corporate governance framework which encompasses accountability, transparency, participation, equality, rule of law, capacity and competence and responsiveness to people's needs is consistently embraced.
- Immoral behaviour, favouritism, discrimination and nepotism are not tolerated.
- All corruption cases reported by any employee are handled expeditiously and fairly.

- The protection of the identity of persons making corruption disclosures and also take all possible actions to protect individuals subject to unfair or malicious allegations.
- For disciplinary cases, the process as detailed in the HR Policy will be followed.
- Staff are continuously sensitized and trained on matters of ethics and integrity once every year.

This Policy document shall be reviewed from time to time at such intervals as management may determine.

3/6/2026

DR. HILLARY WACHINGA,

MANAGING DIRECTOR **DATE:**

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