



KenGen

KENYA ELECTRICITY GENERATING COMPANY PLC

KGN-SID-02-2022

REQUEST FOR PROPOSALS (RFP) FOR CONSULTANCY SERVICES TO UNDERTAKE A FEASIBILITY STUDY FOR GREEN HYDROGEN, AMMONIA & FERTILIZER PRODUCTION AND ITS' PILOT PLANT AT OLKARIA, NAIVASHA – KENYA.

CLARIFICATION No. 1

24th August, 2022

In Accordance with the “Tender for Consultancy Services to Undertake A Feasibility Study for Green Hydrogen, Ammonia & Fertilizer Production And Its' Pilot Plant At Olkaria, Naivasha – Kenya.” KenGen hereby issues Clarification No 1.

No	Tender ref.	Bidder's Questions	KenGen Response
1	Page 63: Clause 5.2 Objective (phase II study)	The scope includes a Phase 1 on feasibility and Phase 2 on design/implementation. It seems that Phase 2 requires an engineering firm. Does this require a Kenyan certified engineering firm for commissioning a project in-line with local regulation? What kind of liability does the consultancy assume for this scope?	Commissioning will be as per the contractual agreement between parties formed either in the JV or whichever arrangement the bidder chooses.
2	Page 59: Clause 5.2 Objective	To what extent is KenGen open to changing the scope of the RFP? For example, would KenGen consider separating phase I and phase II, as phase II scope will be highly dependent on the outcome of phase I. Finalizing phase 1 first will allow the phase 2 RFP to be more specific and detailed, thereby receiving more accurate and competitive quotes from qualified bidders.	The two phases aren't separatable. They are under one tender for the same purpose.
3	Page 60: Clause 5.2 Objective	Is the 5MW pilot a confirmed size? How was this sizing determined? Could the scale of the pilot be determined during phase 1, based on technical and economic viability? In our experience, 5MW scale could be reasonable for an electrolyzer pilot to demonstrate hydrogen production, but it is very small and generally unviable for fertilizer production.	The tender is for a 5MW pilot plant which will demonstrate ability to produce green hydrogen, ammonia and fertilizer.
4	Page 59: Clause 5.2 Objective	What type of fertilizer is KenGen intending to produce? In our experience, the output product has a big impact on the complexity/viability of the project? Further, at the 5MW electrolyzer scale, it may be prudent to apply the ammonia output in mixing at an existing fertilizer production facility,	To be determine in phase I of the feasibility study

		rather than establish a stand-alone facility. Would KenGen consider this?	
5	Page 59: Clause 5.2 Objective	Is it KenGen's intention to own/manage the entire facility (run a fertilizer plant themselves)? Is KenGen considering a value chain partnership or JV with a fertilizer company to increase the success of the final product development and commercialization?	Yes KenGen will own and operate the facility. Partnership or JV will be determined by the first phase of the study
6	Page 23: ITC Clause 22.1	Does KenGen anticipate any additional security other than the tender deposit (e.g. bid bond, performance bond, production guarantees, liquidated damages, etc)	As per the RFP requirement, the consultant to submit an original Tender Security as specified in the RFP, The successful consultant will be required to submit a Professional liability insurance, with a minimum coverage of 110% of the Contract sum at the contract stage.
7	Page 59: Clause 5.2 Objective (Environmental & legal study)	What efforts have been made or agreements reached between KenGen and government officials to expedite the permitting and approval process?	Approvals and permits required will be determined by the first phase of the study. KenGen will facilitate the process where permits required are within our business operation reach.
8	Page No. 24, ITC Clause 22.2 A-ii	Experience in designing and installation of a green hydrogen plant through electrolysis, ammonia and fertilizer production plant: Provide at least one evidence of design and installation works undertaken in the last ten years. Would you kindly consider ongoing projects under implementation?	Only completed projects will be considered as evidence.
9	Page No. 24, ITC Clause 22.2 A-vi	This clause contradicts with clause 3.3-i of 5/95. Consultants may not be having factory capabilities. Kindly consider removing this clause	Firms and entities are encouraged to collaborate. Those who jointly participate should submit proposed consortium agreements between the parties in which the rules of each party are clearly defined. Not more than one consortium agreement of the same firms will be accepted.
10	Page 43 FORM TECH-7: MANDATORY SUPPORT DOCUMENTS	Similar Consulting Assignments Experience <i>(Consultant to insert here copies of the form of contract, purchase order, service order, and performance certificate or similar evidence of similar assignments carried out by the firm. The assignments shall be the same as those provided under FORM TECH 2B}</i>	<i>(Consultant to insert here copies of the reference letters, completion certificate or similar evidence of similar assignments carried out by the firm. The assignments shall be the same as those provided under FORM TECH 2B}</i>
12	Page No. 24, Clause 22.2 A- vii	Geotechnical survey. Will the survey be provided to us?	This is part of the deliverable requirements in the TOR.

13	FORM FIN-4 BREAKDOWN OF REIMBURSABLE Pg. 57	BREAKDOWN OF REIMBURSABLE Pg. 57 Per Diem According to FIN-4, the tenderer is required to share the cost per diem. However, we would appreciate clarity on when the per diem should start to be charged. Upon boarding of the flight to Kenya or on arrival at the Kenyan airport for international experts. Kindly advise.	All costs related to the study to and pilot will be captured under project cost. Refer to clause 5.5 pg 63 of the tender document.
14	FORM TECH – 9 : TENDER- SECURING DECLARATION FORM {r 46 and 155(2)} Pg. 52	Tech-9 vs Tender Security According to the RFP, we should fill in all standard forms for the technical proposal including Tech –9. However, we are also required to give a tender security for the RFP. Therefore please clarify if we need to fill in Tech-9 and submit it even if we are required to offer a tender security for the RFP. Kindly advise.	Bidders to refer to SECTION 2 (B). DATA SHEET clause 10.1 and on Mandatory Requirements on the required forms to be submitted
15		Instead of a JV, can the international company form a partnership agreement or sub-contractor agreement with the local company for the purposes of procuring the local services that the main consult will require like transport, accommodation, labour, staffing, offices etc?	Firms and entities are encouraged to collaborate. Those who that jointly participate should submit proposed consortium agreements between the parties which the rules of each party clearly defined. Not more than one consortium agreement of the same firms will be accepted.
16		Since the studies require a very high level of experience for the experts and locally we might not have such levels of experience, how do we ensure participation of local experts noting that they might not have the experience required?	
17		It is envisioned that a pilot plant will be set up after the studies are completed and approved by the client. This means that the consultant will have to identify a technology partner and contractor to set up the plant later. Is it mandatory for the consultant to tie up with the technology partner during this stage?	
18		Clarification on the execution time period for phase 1 and phase 2 of the project	Phase 1 of the project (feasibility and business case for the project) shall take a maximum of six months whereas phase 2 (implementation of the pilot) shall take up to a maximum of 18 months .
19		‘Letters of intent or MoUs from prospective customers for the end product’ This point is not clear. Kindly clarify	The requirement for letter of intent has been voided in all sections mentioned.
20		The site visit is close to the tender closing date of 30 th September 2022. Could you consider extending the closing dates?	The Extension request has been declined, Consultants should work within the time to submit their bids.
21		In case of a consortium bidding, if one member of the consortium did not attend the Pre-bid conference, and this member is the Consortium lead member, but the other member(s), being sub-con(s) in the consortium attended the conference, would this lead to disqualification?	No. Any Representative of the Consortium who attended the conference is Acceptable.

ACKNOWLEDGEMENT OF CLARIFICATION NO 1.

We, the undersigned hereby certify that Clarification is an integral part of the document and has been incorporated in the RFP Proposal.

Signed.....

Tenderer.....

Date.....