



MINISTRY OF LANDS, PUBLIC WORKS, HOUSING AND URBAN DEVELOPMENT
State Department for Housing and Urban Development

ADDENDUM 9

CLARIFICATION NO. 1

AFFORDABLE HOUSING PROGRAM PROJECTS

This is in reference to tender advertisement appearing in The Star Newspapers on 27th June, 2024 as amended in Addendum 1 dated 28th June, 2024, Addendum 2 dated 18th July, 2024, Addendum 3 dated 31st July, 2024, Addendum 4 dated 5th August, 2024, Addendum 5 dated 21st August, 2024, Addendum 6 dated 28th August, 2024, Addendum 7 dated 5th September, 2024 and Addendum 8 dated 13th September, 2024.

Interested and eligible tenderers are hereby notified that the following clarifications have been sought by various prospective tenderers and the accompanying responses have been issued herewith as Addendum 9.

S/No	Clarification	Response
1.	Clarification on how to approach/solve the issue of variation of works as highlighted in the PPAD.	The Public Procurement and Asset Disposal Act (PPADA), 2015 (Amended 2022) does not provide for variation of works Contract.
2.	A schedule for repayment/instalment of advance payment is not provided as indicated in the Special Conditions of the contract	<p>The schedule for repayment is provided for in General Conditions of Contract (GCC) 14.25</p> <p>Under Special Conditions of Contract (SCC) 14.2.5(b) is amended to include the following:</p> <p>A. For the C+F model, the recovery of advance has been given in the payment schedule</p> <p>B. For Contractor model, the advance payment shall be recovered between 20% and 80% value of certificate</p> <p>The advance payment shall be repaid through percentage deductions from the interim payments determined by the Architect in accordance with Sub-Clause 14.6 [Issue of Interim Payment Certificates], as follows:</p> <p>a) Deductions shall commence in the next interim Payment Certificate following that in which the total of all certified interim payments (excluding the advance payment and deductions and repayments of retention) exceeds 20 percent (20%) of the Accepted Contract Amount less Provisional Sums; and</p> <p>b) deductions shall be made at the amortization rate stated in the Special Conditions of Contract of the amount of each Interim Payment Certificate (excluding the advance payment and deductions for its repayments as well as deductions for retention money) in the currencies and proportions of the advance payment until such time as the advance payment has been repaid; provided that the advance payment shall be completely repaid prior to the time when 80 percent (80%) of the Accepted Contract Amount less Provisional Sums has been certified for payment.</p>

		<p>The advance repayment formula is as follows:</p> <p>Recovery Formula $R = \frac{A(X1-X2)}{(80-20)}$</p> <p>Where: <i>R = Amount to be reimbursed</i> <i>A = Amount of Advance Granted</i> <i>x1=Amount of cumulative payments as a percentage of the original amount of the contract, the figure will exceed 20% but not exceed 80%</i> <i>x2=Amount of Previous cumulative payments as a percentage of the original amount of the contract, the figure will exceed 20% but not exceed 80%.</i></p>
3.	An increase of the rate per square meter to Kshs. 48,000/- inclusive of VAT from the provided rate of Ksh. 42,000/- in line with the prevailing current and future market conditions for construction commodities	The affordable housing total project cost has been set at forty thousand per Square meter (Kshs. 40,000/sm) for contractor model and forty-two thousand per Square meter (Kshs. 42,000/sm) for C+F (Construction and Finance)
4.	Proposed amendments to the limit of retention, reducing it to 5% of the contract sum instead of 10% of the contract sum	As provided in the special conditions, the retention is 10% of the contract sum
5.	<p>The following disparities was noted and therefore sought clarification</p> <p>The estimate is based on built up structures that adds up to 91,429 SQM, 91,429 by 40,000 you get the total estimate as Kes 3,657,160,000, the built-up structures include-</p> <ol style="list-style-type: none"> 1.Block B 2.Block E 3.School 4.Kindergarten 5.Community centre 6.Guard house 7.Garbage House 8.Power house <p>The estimate excludes the below works that totals to approximately 600 Million</p> <ol style="list-style-type: none"> 1.Preliminaries 2.Fencing 3.Sewer line 4.Basketball pitch 5.Road works 6.Provisional sums 7.Project provisions <p>If we go as per the estimate, we would have underquoted the project thus we not be able to deliver the project to completion Total project including built up structures and external works cost is about Kshs.4.1 billion</p>	The affordable housing total project cost has been set at forty thousand per Square meter (Kshs. 40,000/sm) for contractor model and forty-two thousand per Square meter (Kshs. 42,000/sm) for C+F (Construction and Finance)
6.	In the case of a JV do both parties have to have the requirements or can they use each other's documents.	Each member of a Joint Venture is required to meet all eligibility requirements as set out in Section III of the tender document (Evaluation and Qualification Criteria)

7.	For the general experience it asks for 10 years, is it 10 years from date of closing or as at January 2024	The general experience is for a period 10 years from tender submission date
8.	Price adjustments since its not applicable we propose that in the event of price fluctuation, the formulae for price adjustment stated in the tender document to be adopted	The clause on adjustments for changes in cost, Clause 13.9 of the SCC applies
9.	Repayment/instalment of advance payment in not provided	Refer to clarification No.2 above
10.	In the TENDER NO. MLPWHUD/HUD/AHP/417/2023- 2024 i. Clarification on variation of works as detailed in the Public Procurement and Asset Disposal Act (PPADA), 2015 ii. A schedule on repayment of advance payment is not provided as indicated in the special conditions of contract iii. We propose an increase in the rate per square meter to Kshs.48,000 inclusive of VAT from Kshs.42,000 in line with the prevailing current and future market conditions for construction commodities iv. We propose amendments to the limit of retention reducing it to 5% of the contract sum instead of 10% of the contract sum.	Responses for (i), (ii), and (iv) have already been given above. As for clarification (iii), the provision for adjustment for changes in cost takes care of the escalation of price of inputs.
11.	Clarification on the varying number of blocks in Mavoko AHP between those in bill of quantities and those in drawings	Mavoko has 917 Units in 9 blocks
12.	Provision of Blank Excel Bill of Quantities for easier pricing	The Procurement Entity has issued the Standard PDF Tender documents which is considered adequate.
13.	Performance Security and Tender Security	i. Performance Security: A performance security shall be from a Bank or authorized financial institution in the prescribed amount as provided for in Section 142 (1) of the Public Procurement and Asset Disposal Act (PPADA), 2015. ii. Tender Security: A Tender security shall be in the prescribed amounts as indicated in the respective tender document and/or addendums. The security can be sourced from any bank including Microfinance Banks.

All the other conditions remain the same.

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