



PRESS STATEMENT

Procurement of Patrol Speed Boats By Kenya Revenue Authority

The attention of Kenya Revenue Authority has been drawn to an article which appeared in a section of today's dailies under the heading 'KShs.100M Patrol Boats Scandal Rocks KRA'.

We would therefore like to correct the false impression created as follows:

1. The Revenue Administration Reform and Modernisation Programme, which is funded by the Government of Kenya, included procurement of Cargo Scanners, Boats and Helicopters, among other capital items.
2. The Authority procured four (4) Patrol Boats through International Tender. These were to patrol the coastline of Mombasa as well as the waters of Lake Victoria, with a view to:
 - 2.1 Curbing smuggling and infiltration of uncustomed goods into the country.
 - 2.2 Curbing entry of restricted and prohibited goods.
 - 2.3 Enhancing surveillance of the shoreline/borders.



2.4 Enabling rapid intervention and facilitating carriage of arrested persons and confiscated goods.

2.5 Improving revenue collection.

3. The purchase of the Boats was strictly in accordance with the Exchequer and Audit (Public Procurement) Regulations, 2001, which were in force at the time of procurement.
4. Tender for procurement of the boats was advertised on 22nd July, 2005 in the Economist and the local print media.
5. The Tender was for Manufacture, Delivery, Supply and Commissioning of four (4) Boats:
 - 5.1 1 small size.
 - 5.2 2 medium size.
 - 5.3 1 large size.
6. Eight (8) interested parties subsequently purchased the tender documents.
7. The tender was closed on 29th September, 2005.
8. Of the eight (8) interested parties, only three (3) submitted. These were from:
 - 8.1 Damen Shipyards (Netherlands).
 - 8.2 Hike Metal Products (Canada).
 - 8.3 Sinnautic BV International (Netherlands).



9. Evaluation of the bids was carried out by KRA officers in conjunction with Mechanical and Transport Engineers from the Ministry of Roads and Public Works, the Kenya Navy (KN) and Kenya Ports Authority (KPA).
10. The Engineers from the Ministry of Roads and Public Works ensured compliance with national technical specifications while KN and KPA officers provided insight into the usage and operational aspects of the Boats.
11. The Hike Metal Products bid did not meet the technical specifications and was therefore disqualified while Sinnautic BV International did not meet technical specifications for the Small Boat.
12. The financial bids of the qualifying bidders are summarised as follows:

S. No.	Bidder	Small	Medium*	Large
01	Damen (Option 1)	€759,730.00	€2,999,288.00	€1,587,140.00
02	Damen (Option 2)	-	€2,187,654.00	-
03	Sinnautic BV International		€2,095,080.00	€1,459,260.00

* 2 Boats

13. The Tender Committee awarded the Contracts as follows:
 - 13.1 Damen Shipyards to supply the Small Patrol Boat.
 - 13.2 Sinnautic BV International to supply the two (2) Medium Size and One (1) Large Size Boat.
14. Due diligence was carried out and contracts duly executed in accordance with the relevant requirements.



15. As at today:
 - 15.1 The Small Boat for Lake Victoria has been delivered and payments for the same have been made.
 - 15.2 Two (2) medium sized Boats have been delivered at Mombasa. One has been registered while the second one is awaiting post-delivery inspection.
 - 15.3 The Large Boat is to be delivered in September, 2009.
16. Payments so far made for the Boats have been through Letters of Credit and after the required certification by LLOYD's Register of each construction milestone. This certification is intended to ensure that the vessels meet the required international marine standards.
17. We wish to:
 - 17.1 Assure the public that KRA is committed to transparency in carrying out its legal mandate.
 - 17.2 Categorically state that no member of staff or KRA Board has so far resigned or is contemplating resigning.
18. Procurement of Boats by KRA is not unique, other revenue authorities and customs agencies worldwide operate Marine Units.

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