



KENYA REVENUE AUTHORITY

ISO 9001:2015 CERTIFIED

ADDENDUM SET 2

27th January 2025.

To all Prospective bidders,

REF: RENEWAL OF VMWARE LICENSES AND SUPPORT SUBSCRIPTIONS FOR A PERIOD OF THREE (3) YEARS

TENDER NO. KRA/HQS/NCB-019/2024-2025

Kenya Revenue Authority wishes to inform prospective bidders of the following clarification/ addendum:

NO.	Tender Document reference	CLARIFICATION REQUEST	KRA RESPONSE/ ADDENDUM
1.	Page 33 Financial Evaluation	The Vmware software asked for in KRA's tender is 'Subscription' model of software. The OEM, M/s Vmware will issue 3 year upfront price model for your requirement, whereas KRA has stated the payment in yearly basis. Financing of software with asset title onto KRA and especially when it is subscription (not perpetual) imodel is highly risky, vulnerable and not usually adopted practice. Therefore, kindly make the payment terms as 3years upfront OR speak to the OEM and advise them to yearly payment subscription model.	Bidders are advised that due to budgetary constraints, the VMWare subscriptions are renewable on an annual basis as per technical specifications. Bidders are therefore advised to accommodate this annual renewal with relevant stakeholders as may be tenable to accommodate the same.
2.	Page 33 Financial Evaluation	This query is on additional requirement as an OPTION on demand basis for 1568 cores of Vmware subscription: - The OEM M/s Vmware doesn't have policy to maintain and commit the price for 3 ars window. Software price changes frequently and especially when it is related to Vmware software, they have changed the price and model in last year. Therefore, kindly modify your requirement of additional license for the 1st year consumption only.	Bidders are advised that the acquisition of additional subscriptions on need basis is to be determined by the delivery of replacement servers that are currently at various stages in the procurement process. Bidders are therefore advised to ensure the price for the additional licenses would be valid over the three year contract or as per terms of contract variation provisions
3.	Page 33 Financial Evaluation	Are bidder are allowed to quote in USD	No. Prospective bidders are advised that their financial proposal MUST be in Kenya Shillings.
4.	Page 33 Financial Evaluation	WHT – after the enactment of the Tax Laws (amendment) 2024 and Tax procedures(Amendment) Act 2024, will the bidders add WHT on the VMware Renewal Licenses?	Yes, after the Tax Laws Amendment Act, 2024, effectively from 27 th December 2024, software was incorporated as part of the income tax definition of Royalty which is subject to tax at 20% for non-residents and 5% for



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			<p>residents.</p> <p>Software here includes, purchase, licenses, training and maintenance fees. It also incorporates the SaaS, IaaS and Platform as a service (PaaS).</p> <p>That means that if the VM Ware is being purchased/acquired from a local vendor/distributors, a WHIT of 5% will be applicable. If from a non-resident vendor, then 20%.</p> <p>On the issue of adding the WHIT as part of cost, that should not occur since WHT is a tax on profits which claimable as an advance tax or in case of non-residents the WHT is claimable in the resident country.</p>
5.	Page 32	Knowledge Transfer – Page 32 line 5, KRA has requested for Knowledge Transfer, kindly clarify if on-deployment basic knowledge transfer is required or actual classroom certification training is required by KRA team, if so kindly advise on the number of candidates on the same.	Bidders are advised that the Knowledge transfer specified is on-deployment basic knowledge and over the shoulder training during implementation. The Knowledge transfer is therefore not an actual classroom certification training.
Note: <ul style="list-style-type: none">Prospective bidders are advised to take note of the revised tender opening date i.e Wednesday, 5th February 2025 at 11.00 a.m.Prospective bidders are advised to ensure that they align their tender security validity with the revised tender opening date i.e. 4th February 2026.			

The Addendum form part of the bidding document and is binding to all bidders. All other terms and conditions of the tender remain the same. You are therefore required to immediately acknowledge the receipt of this addendum.

Regards,

Martha Njuguna

For: Deputy Commissioner - Supply Chain Management