KENYA REVENUE AUTHORITY

ISO 9001:2015 CERTIFIED

ADDENDUM SET 2

23th March 2026

To all Prospective Bidders

REF NO. KRA/HQS/NCB - 036/2025-2026: PROVISION OF CLOUD HOSTING SERVICES FOR A LARGE LANGUAGE MODEL (USHURU GPT) FOR A PERIOD OF THREE (3) YEARS.

Kenya Revenue Authority wishes to inform prospective applicants of the following amendments/clarifications:

NO	QUERY	KRA RESPONSE
	Section A: Technical Scope & Integration	
1.	**Chatbot Ownership:** Does KRA already own the chatbot application, or is the supplier expected to design and develop the front-end application as part of this scope?	KRA owns the chatbot application and supplier is not expected to design or develop any application
2	**Scope of Technical Deliverables (Ushuru GPT):** The Tender explicitly requests an LLM API service. However, building Ushuru GPT will require several other components, including an agent framework, vector databases, RAG systems, MCP servers, etc. Is the tender limited *strictly* to the LLM API service, or is there a requirement for the supplier to build and deliver these supplementary architectural components as well?	Tender is limited to only the supply and delivery of the LLM API service.
3	**MCP Integration:** Regarding native support for **Model Context Protocol (MCP):** Does this refer to server-side hosting, client-side consumption, or both? Which internal systems must the MCP layer connect to?	Requirement for MCP integration by the supplier is not required at this point.
4	**LangGraph Use Cases:** Please provide specific examples of workflows (e.g., tax lookup, form filling) the agent is expected to orchestrate to help accurately scope the orchestration layer.	Requirement for LangGraph integration by the supplier is not required at this point.
5	**Model Hosting:** Does KRA require active on-premise provisioning as part of this contract, or is the capability for on-premise deployment alone sufficient?	KRA requires an LLM API service hosted by the supplier/service provider.
6	**RAG Content:** What specific datasets will be ingested into the Knowledge Base, and who (KRA or supplier) is responsible for the preparation and maintenance of this content?	Requirement for RAG integration by the supplier is not required at this point.
7	**Data Residency:** Is data residency within Kenya/Africa mandatory, or is hosting in international regions (e.g., AWS us-east-1) acceptable given contractual privacy guarantees?	The chatbot will be used to provide interactions on publicly available information. Therefore hosting in international regions is acceptable.
	Section B: Financial & Pricing	
6	**Hosting Cost Classification:** Should "Hosting" be a fixed monthly/annual fee for infrastructure, or should all costs be consolidated into the per-token LLM inference pricing?	All costs should be consolidated into per-token LM inference pricing.
9	**Overage Pricing:** Should the "Overage pricing" requested in Row 4 be included in the **Grand Total** for the Form of Tender, or is it intended as a reference rate only?	Overage pricing is intended as a reference rate for any cost to be incurred in the event of using more tokens than entitled to. It should not be included in

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30 YEARS OF PARTNERSHIP

		the grand-total, but it will be used to evaluate the long term costs. Prospective bidders are advised that the Financial Evaluation (Price Schedule) on page 40 of the tender document has been expunged from the bidding document and replaced with Amended Financial Evaluation (Price Schedule) attached to this addendum as Annex 1. Bidders are therefore advised and guided to use the Amended Financial Evaluation (Price Schedule) attached to this addendum as Annex 1.
10	**Capacity Building Levy:** Per PPRA Circular No. 01/2024, should the **0.03% levy** be included in our quoted price, or will it be deducted by KRA upon award?	Yes, should be included in the quoted Price exclusive of tax.
11	**Budget Ceiling:** Regarding the provision of **KES 216 Million**: Is this an absolute contract ceiling, and is there a minimum spend threshold that applies?	This is the maximum Ceiling for a Three Year contract. They is no minimum spend.
	Project Delivery & Implementation	
12	**Maximum Completion Period:** Please confirm the maximum permissible implementation timeline from the contract effective date.	Maximum Six(6) Months.
13	**GANTT Sub-plan Requirements:** Please confirm the expected level of detail for the four required sub-plans (Implementation, Training, QA, and Support).	Implementation, training QA and Support should contain as much detail as possible.
14	**Internal Technical Readiness:** Will KRA provide a designated IT team to assist with document ingestion and integration testing with existing systems?	KRA will provide a designated IT team to support.
	Eligibility & Qualification	
15	**Foreign Tenderers 40% Rule:** Please clarify if this requires 40% of contract value to be sourced locally or 40% local equity. How does this apply to international cloud services (e.g., AWS)?	Prospective bidders should be guided by the evaluation criteria provided in the tender document. Where a specific form is not requested in the evaluation criteria, a bidder needs not to fill it out or include it in your tender submission.
16	**Specific Experience (Form EXP-2):** Please provide the missing values for the minimum number of similar contracts, minimum contract value, and the look-back period.	Prospective bidders should be guided by the evaluation criteria provided in the tender document. Where a specific form is not requested in the evaluation criteria, a bidder needs not to fill it out or include it in your tender submission.
17	**Minimum Annual Turnover (Form FIN-2):** Please confirm the specific threshold required to qualify.	Prospective bidders should be guided by the evaluation criteria provided in the tender document. Where a specific form is not requested in the evaluation criteria, a bidder needs not to fill it out or include it in your tender submission.
	SLA & Support	
18	**Uptime Measurement:** For the **99.99% API uptime** requirement, will KRA use independent	Supplier provided dashboards are acceptable

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	monitoring tools, or are supplier-provided dashboards (e.g., AWS CloudWatch) acceptable?	
19	**Support Hours:** Does the support hotline require **24/7 coverage**, or is standard East Africa Time (EAT) business hours coverage sufficient?	**24/7 support hotline is required.**
20	Anticipated average number of requests per user per month.	**20 requests**
21	Average number of characters per prompt	**1000**
22	In the Product description, KRA has requested that "the model should have been available in the market for the last 2 years". Please confirm whether this is a mandatory (must-have) requirement for eligibility, or a preferred (nice-to-have) requirement used for scoring.	**This is not a mandatory requirement. It's a nice to have feature.**
23	Kindly clarify whether the scope of this tender is limited strictly to the provision of managed LLM hosting services, or whether KRA would consider a comprehensive end-to-end cloud-native architecture for Ushuru GPT, including orchestration, security, monitoring, and the use of cloud-native databases to support Retrieval-Augmented Generation (RAG) for contextual knowledge management and model grounding.	**The purpose of this tender is limited strictly to the provision of managed LLM hosting services.**
24	Kindly clarify the expected number of Ushuru GPT users, both internal (KRA staff and administrators) and external (taxpayers or public users), including anticipated peak concurrent usage, to enable accurate capacity sizing, performance design	**KRA Internal users – 10000 External Users – Approximately 30 million** **Peak concurrent user – 10000**
	Additional	
25	The LLM Scope: Confirm if KRA is bringing its own proprietary model and just seeking raw GPU compute, or if we are delivering the full stack including an Open Source LLM as a Service.	**KRA is looking for a service that includes the Open Source LLM model delivered via an API.**
26	Chatbot (Applications) Ownership: Is the application development handled by KRA, or is it on the service provider? This includes work on the communication layer (webhooks), orchestration layer (FastAPI), LLM inference, and building ingestion pipelines.	**Application development is handled by KRA**
27	Data Residency: We need to establish a clear position on data sovereignty and compliance with the Laws of Kenya.	**The chatbot will be used to facilitate interactions with publicly available information.**
28	Knowledge Base Sensitivity: Section II mentions retrieving "publicly available information", but Item 6 in the Technical Requirements refers to "internal/private data". Can KRA clarify if the knowledge base is strictly public info (tax laws/circulars) or if the system will process sensitive taxpayer PII?	**Knowledge base is strictly public available information.**
29	API Integration Specifics: Does KRA have a centralized API Gateway or Enterprise Service Bus (ESB) for the chatbot to connect to internal systems like iTax and ICMS? If not, are we expected to build custom connectors for each legacy database?	**Supplier is not required to build custom connectors for legacy databases.**
30	Concurrency vs. Performance: The tender requires support for 10,000 users and a 1-second latency. Could you clarify if this 1 second refers to the "Time to First Token" (TTFT) or the full response completion?	**1 second refers to Time to First Token**

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30 YEARS OF PARTNERSHIP

31	Managed Support & MLOps: For the 3-year recurrent period, does KRA expect a Resident Engineer to manage model fine-tuning and periodic "weight updates," or is the scope limited to infrastructure uptime?	The scope is limited to the API infrastructure uptime and availability. However, the Open source model hosted by the supplier should be continuously updated whenever new versions are available.
32	Vector Database (RAG) Architecture: Is KRA providing a pre-indexed Knowledge Base, or is the service provider responsible for the "Ingestion Pipeline" (extracting, chunking, and embedding) of the thousands of pages of tax circulars and laws?.	RAG implementation will be handled internally by KRA.
33	Security & PII Masking: Since the solution may involve taxpayers interacting with sensitive records, does KRA have a preferred tool for Data Anonymization/Masking to ensure compliance with the Data Protection Act?	Current scope for interaction with the LLM API service is publicly available information only.
34	On Page 37, the document states the AI is to assist in retrieving "publicly available information". However, on Page 38, the technical requirements explicitly mention "internal/private data sent to the model". This is a slight contradiction that affects our risk assessment. Can KRA clarify if the knowledge base is strictly public info (tax laws/circulars) or if the system will process sensitive taxpayer PII?	Internal private data sent to the model refers to content that is sent by the users when interacting with the model. i.e. any information that is sent as part of the prompts/questions. The knowledge base for building responses is strictly publicly available information.
34	Is the scope only public info, meaning we won't need complex PII masking or 100% local residency. Or does it involve private data, so that we stick to the high-security "Local Gateway" or "Sovereign AI" approach?	The current scope is publicly available information only.
35	Vendor Evaluation Criteria	Bidders are notified that Vendor Evaluation Criteria has been introduced under this Addendum and is marked as "A – Vendor Evaluation"
36	Form of Tender	Bidders are notified that the Form of Tender in the bid document has been expunged and replaced with "Amended Form of Tender" herein attached.

EXTENSION OF TENDER CLOSING/OPENING DATE AND TIME	
PREVIOUS TENDER CLOSING DATE& TIME	NEW TENDER CLOSING DATE & TIME
THURSDAY, 26TH MARCH 2026 at 11.00 AM TIMES TOWER	TUESDAY, 7TH APRIL 2026 at 11.00 AM TIMES TOWER

- Bidders are advised to align their bid security to the new tender opening/closing date i.e. The tender security should be valid for 365 days, up to 6TH APRIL 2027.

Regards,

Martha Njuguna
For: Deputy Commissioner – Supply Chain Management

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30 YEARS OF PARTNERSHIP

KENYA REVENUE AUTHORITY
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A. VENDOR EVALUATION

The following criteria will be used in the evaluation of all potential suppliers.

The documents submitted will be evaluated for suitability and awarded marks that will contribute to the total tender evaluation.

Requirement	Max Score	Bidder Score
1. **Experience of the bidder in the Provision of Cloud Hosting services for a large language model:** Demonstrated capability of execution of similar nature and size completed/ongoing within the last five years (2021 and 2025 inclusive) (Attach copies of contracts/LPOs or completion certificates from **Two (2)** clients with cloud hosting Services. 2 Contract ....5 marks per client. 1 Contract ....5 Marks per client	10	
ii) Recommendations by past and existing clients Provide recommendation letters from **Two (2) clients as per (i) above** who may be contacted for further information on the completed/ongoing contracts. The reference letters should be related to the contracts provided/LPO or completion certificates in - the Provision of Cloud Hosting services for a large language model only not other related services. Recommendation letters from the clients Must include telephone and email and contact person. **Scoring criteria** 5 marks per recommendation letter	10	
Total Score	20	15

Note: Bidders who do not meet the cut off score of **15 marks** will not be considered for further evaluation.

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30 YEARS OF PARTNERSHIP

ANNEX II: AMENDED - PRICE SCHEDULE

PRICE SCHEDULE - PROVISION OF CLOUD HOSTING SERVICES FOR A LARGE LANGUAGE MODEL (USHURU GPT) FOR A PERIOD OF THREE (3) YEARS.

	Description	Input price (*Inclusive of all applicable taxes and levies*)	Output Price (*Inclusive of all applicable taxes and levies*)
1	Ushuru GPT Hosting Price Per One (1) million Token		
2	Total Cost for One Year (1) Year inclusive of all Applicable taxes		
3	**Total Cost for Three Year (3) Inclusive of all Applicable taxes**		
4	**Grand Total inclusive of all applicable taxes and levies (To be carried forward to the Form of Tender**		

Note: The price to be quoted in Kenya Shilling Only

A further provision of hosting services on need basis up to a maximum spend of Kes 216 Million at the unit costs indicated below for a period of Three years.

No.	Item Description	Quantity	Unit price in Kshs – VAT and levies inclusive
1	Overage pricing per Per One (1) million Token	Price Per One (1) million Token	

Note:

- **Award shall be made to the bidder with the <u>lowest evaluated price.</u>**

- The tenderers are hereby notified of **PPRA circular No. 01/2024 dated 30th August, 2024 and Legal notice No. 206 of 6th November, 2023** which introduces a Capacity Building Levy to be **paid/borne by a supplier** on all procurement contracts signed between the supplier and the procuring entity at a rate of **0.03% of the value of contract exclusive of applicable taxes.** The procuring entity shall deduct and remit the levy to PPRA.

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AMENDED FORM OF TENDER

(Amended and issued pursuant to PPRA CIRCULAR No. 02/2022)

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]*;

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Tender Price: The total price of our Tender, excluding any discounts offered for:

PROVISION OF CLOUD HOSTING SERVICE.S FOR A LARGE LANGUAGE MODEL (USHURU GPT) FOR A PERIOD OF THREE (3) YEARS.

Amount in figures...

(In Words)...

....

And a further provision of hosting services on need basis up to a maximum spend of kes 216 Million for a period of Three years at the unit cost tabulated below:

No.	Item Description	Quantity	Unit price in Kshs – VAT and levies inclusive
1	Overage pricing per Per One (1) million Token	Price Per One (1) million Token	

....

Or

[Option 2, in case of multiple lots:] (a) Total price of each lot *[insert the total price of each lot in words and figures, indicating the various amounts and the respective currencies]*; and (b) Total price of all lots (sum of all lots) *[insert the total price of all lots in words and figures, indicating the various amounts and the respective currencies]*; **Not Applicable**

(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]*;

a) **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;

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

c) **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;

d) **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;

e) **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*];

f) **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.")

g) **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;

h) **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

i) **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*]

j) **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.

k) **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.

l) **Beneficial Ownership Information:** We commit to provide to the procuring entity the Beneficial Ownership Information in conformity with the Beneficial Ownership Disclosure Form upon receipt of notification of intention to enter into a contract in the event we are the successful tenderer in this subject procurement proceeding.

m) 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.

Tulipe Ushuru, Tujitegemee!

30 YEARS OF PARTNERSHIP

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*].