



**ADDENDUM SET "3"**

14<sup>th</sup> January 2025

To all Prospective bidders,

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**REF: TENDER NO. KRA/HQS/RFP-001/2025-2026 PROPOSAL FOR SUPPLY, DELIVERY, INSTALLATION, COMMISSIONING AND MAINTENANCE OF AN INTEGRATED EXCISABLE GOODS MANAGEMENT SYSTEM (EGMS) FOR A PERIOD OF FIVE (5) YEARS**

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Kenya Revenue Authority wishes to inform prospective bidders of the following clarifications:

NO.	REFERENCE TO THE TENDER DOCUMENT	TENDER DOCUMENT REQUIREMENT	ACTIVITY/ QUERY	KRA RESPONSE
1.	Section 3: Technical requirements	Implementation of system	Clarity whether the incumbent has to adhere to sections 3 of the technical requirements namely replace all the incumbents existing "equipment, hardware, software, and consumables that are necessary for the implementation of the system"; so as to comply with section 4 "Unfair Competitive Advantage and not confers a competitive advantage to the incumbent	Bidders are advised that the scope of work requires the replacement of all existing hardware and software with new hardware and software for each product category.
2.	Section 5 - TERMS OF REFERENCE  1.5 Technical Requirements Comprehensive Specification, No. 03	The solution should include the requisite equipment, hardware, software, and consumables that are necessary for the implementation of the system: a) Provide requisite equipment, hardware, software, and licenses at: i. Taxpayers site ii. KRA Data Center (Primary and Secondary) iii. Network Infrastructure between the taxpayer site and the primary Data Centre. iv. Stamp issuance centre b) Stamp Activation systems	Please clarify whether the incumbent has to replace all the existing equipment, hardware, software, and consumables that are necessary for the implementation of the system so as to comply with section 4 "Unfair Competitive Advantage" and not confers a competitive advantage to the incumbent	Bidders are advised that the scope of work requires the replacement of all existing hardware and software with new hardware and software for each product category.

		<p>c) Secure web portal to support system administration</p> <p>d) Stamp encoding and issuing equipment</p> <p>e) Integrated issues logging system</p> <p>f) Provide at least five stamp issuance centres (Recommended locations are Nairobi, Mombasa, Nakuru, Kisumu, and Embu.)</p>
3.	Section 5 - TERMS OF REFERENCE	<p>I Overt features - at least 10</p> <p>II Semi covert features - at least 4</p> <p>III Covert features - at least 4</p> <p>1.5 Technical Requirements Comprehensive Specification, No. 02</p>
4.	SECTION I: INVITATION TO TENDER	<p>3. A complete set of bidding documents in English may be obtained from KRA E-Procurement portal available on the KRA website <a href="http://www.kra.go.ke">www.kra.go.ke</a> free of charge. Prospective bidders should register for E-Procurement to enable them access the KRA portal under "New Supplier Registration" found under the Tender Tab.</p>
5.	-	<p>High-Speed Automated Lines The RFP does not specify how many automated production lines in Kenya operate as high-speed lines (e.g., those used in beer manufacturing environments that apply approximately 12 direct-to-product stamps per second, ~44,000 per hour). The hardware requirements for these high-speed environments are materially different from standard automated lines, and accurate costing depends on understanding the scale of such installations nationwide. Could KRA please confirm the number of high-speed automated lines across all relevant manufacturing facilities, or alternatively provide an assumption for bidders to use for costing purposes?</p>
		<p>Bidders are advised to clearly describe how their and covert security features listed in the tender (i.e. KRA Acronym, micro-cuts, Guilloche lines etc) are mandatory, or if they are simply provided as examples? Specifically, can bidders propose alternative security features as long as they meet the required quantities—10 overt, 4 semi-covert, and 4 covert features and comply with the stated performance and security criteria?</p> <p>If we submit as a consortium of three firms, should each member of the consortium register individually as a new supplier on the KRA portal, or is registration by the lead/prime bidder sufficient?</p> <p>Bidders are advised that for a consortium submission, registration on the KRA E-Procurement portal by the lead/prime bidder is sufficient. Individual consortium members are not required to register separately, provided their participation and roles are clearly indicated in the consortium documentation submitted with the bid.</p> <p>Bidders are advised that, under SECTION 5: TERMS OF REFERENCE, Clause 1.4 – Current Landscape of the Stamps Regime, Kenya's excisable goods market comprises over 1,800 manufacturers and approximately 1,200 importers, with an estimated 1,814 production plants, 212 automated production lines, and 1,218 importers.</p>





6.	-	-	Eligibility and Scoring of Private-Sector References in cases where a bidder has a reference project that meets or exceeds the required production volumes outlined in the RFP, but the reference is from a private-sector client rather than a government entity, we seek clarification on its acceptability. Would such a private-sector reference be considered valid for evaluation purposes? If so, would it receive full scoring equivalent to a government-sector reference, provided it meets all technical and volume criteria?	
7.	Section 5 - TERMS OF REFERENCE	1.5 Technical Requirements Comprehensive Specification, No. 01	End-to-End Track & Trace Real-time tracking from production to consumption. Factory, warehouse, logistics, retail, and consumer authentication. The system must track each unit and batch throughout its lifecycle: 1 Manufacturing Stage a. Real-time reconciliation of produced vs stamped quantities b. Automated alarms for deviations c. Full audit trail 2 Distribution Stage a. GPS-based tracking b. Sealed digital manifests (immutable) c. Geo-fenced delivery routes 3 Retail Stage a. Stamp authentication at retail b. Real-time reporting of stock movement 4 Consumer Stage a. Public anti-counterfeit verification tools	Bidders are advised that Section 1.5 – Technical Requirements (Comprehensive Specification) under End-to-End Track & Trace is clarified as follows: The system must track each unit and batch throughout its lifecycle across all product categories.
			We understand the 2. Distribution Stage (a,b,c) from Technical requirement 01 (page 55) relate to the physical stamp distribution process.  However, on page 67, the GIS & Logistics Monitoring KPIs include broader requirements such as national road network coverage, real-time traffic integration, and enforcement response times. Could you please confirm whether these GIS & Logistics Monitoring requirements apply only to stamp distribution or to the entire logistics chain (including product movement and enforcement operations)?	Bidders are advised that Section 1.5 – Technical Requirements (Comprehensive Specification) under GIS & Geospatial:  1. The requirement applies to product-level tracking throughout the supply chain. 2. The requirement is intended for monitoring and reporting purposes for the entire logistics chain.

  
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	<p><b>1.5 Technical Requirements Comprehensive Specification, No 29</b></p>	
	<p><b>GIS &amp; Logistics Monitoring Operational KPIs - Describe how the solution will achieve the following:</b></p> <ol style="list-style-type: none"> <li>GPS Tracking Requirements: Minimum ping frequency of every 30 seconds (10 seconds for high-risk routes) with location accuracy of <math>\pm 10</math> meters.</li> <li>Route Deviation Tolerance: Maximum 500 meters from designated route, with immediate alerts for geo-fence breaches or unauthorized stops <math>&gt; 30</math> minutes.</li> <li>GIS Resolution &amp; Coverage: Minimum 95% national road network coverage with map resolution of 1:10,000 in urban areas. Real-time traffic integration is required for major cities.</li> <li>Enforcement Response Time Metrics: Alert generation <math>&lt; 5</math> seconds from deviation detection; KRA officer notification <math>&lt; 30</math> seconds; Partner agency notification <math>&lt; 2</math> minutes.</li> </ol>	
<p><b>8. Section 5 - TERMS OF REFERENCE</b></p>	<p><b>1.5 Technical Requirements Comprehensive Specification, No 03</b></p>	<p><b>Bidders are advised to clearly describe how their proposed solution will achieve the stated four (4) GIS &amp; Logistics Monitoring Operational KPIs.</b></p>

Could you please confirm whether, at the time of installation, all existing equipment will have been removed by KRA or its current service provider?

We want to ensure that our team will not be required to wait for removal or handle removal tasks before commencing Installation

9.	Section 5 - TERMS OF REFERENCE	1.5 Technical Requirements Comprehensive Specification, No 14	<p>Consumer Authentication &amp; Retail Verification. Describe compliance the following specifications:</p> <p>Retail Scanner Specifications:</p> <ul style="list-style-type: none"> <li>a. Minimum scan speed: <math>\geq 2</math> scans per second</li> <li>b. Offline capability: Local verification for <math>\geq 24</math> hours with automatic sync</li> <li>c. Encryption standards: AES-256 for stored data; TLS 1.3 for transmission</li> <li>d. Battery life: <math>\geq 8</math> hours continuous operation</li> <li>e. Durability: IP54 rating minimum</li> <li>f. Connectivity: 4G/LTE + WiFi + Bluetooth</li> <li>g. Screen size: <math>\geq 5</math> inches for result display</li> <li>h. Operating system: Android 10+ or iOS 14+</li> </ul> <p>Shall the existing cashier scanners be adapted or shall the consortium provide capabilities to perform the required authentication / verification in the form of the mobile app for customers / consumers?</p>	Bidders are advised to clearly describe how their proposed solution provides the functional and technical capabilities required to support Consumer Authentication and Retail Verification, including the end-to-end processes, enabling technologies, and operational workflows.
10.	In Section 5	(Terms of Reference), Part 1.5 – Technical Requirements Comprehensive Specification	<p>Technical Requirement No. 35 describes KRA's intended approach to independent revenue verification using a Big Four firm. However, the requirement reads more as a statement of KRA's framework rather than a question directed at bidders. - Could KRA please clarify what is specifically expected from bidders in responding to Technical Requirement 35, and what elements must be addressed in order to obtain full marks for this requirement?</p>	Bidders are advised to provide a written statement confirming their adherence to the requirement for independent verification
11.	Section 5 - TERMS OF REFERENCE	1.5 Technical Requirements Comprehensive Specification, No 14	<p>Consumer Authentication &amp; Retail Verification. Describe compliance the following specifications:</p> <p>Retail Scanner Specifications:</p> <ul style="list-style-type: none"> <li>a. Minimum scan speed: <math>\geq 2</math> scans per second</li> <li>b. Offline capability:</li> <li>c. Local verification for <math>\geq 24</math> hours with automatic sync</li> <li>d. Encryption standards: AES-256 for stored data; TLS 1.3 for transmission</li> <li>e. Battery life: <math>\geq 8</math> hours continuous operation.</li> <li>f. Durability: IP54 rating minimum</li> <li>g. Connectivity: 4G/LTE + WiFi + Bluetooth</li> <li>h. Screen size: <math>\geq 5</math> inches for result display</li> <li>i. Operating system: Android 10+ or iOS 14+ Shall the existing cashier scanners be adapted or shall the consortium provide capabilities to perform the required authentication / verification in the form of the mobile app for customers / consumers?</li> </ul>	Bidders are advised to clearly describe how their proposed solution provides the functional and technical capabilities required to support Consumer Authentication and Retail Verification, including the end-to-end processes, enabling technologies, and operational workflows.

12.	Section 2(B) - Bid Data Sheet - 22.1	3. Bid Security Page 19	For processing the Bank Security, a draft template from the Purchaser is required. Kindly provide the prescribed draft format to enable us to initiate and process the Bank Guarantee for this RFP.	The Bank security Template is attached hereto as ANNEX 1.
13.	Section 2(B) - Bid Data Sheet - 22.1	3. Bid Security Page 19	Please clarify whether the Bid Bond issued by a leading commercial bank in India will be accepted under this RFP, subject to compliance with all specified banking and validity requirements	<p>The Tender Security shall be in the form of a bank guarantee or insurance guarantee issued by:</p> <ul style="list-style-type: none"> <li>• a bank or insurance company licensed by the Central Bank of Kenya (CBK) or the Insurance Regulatory Authority (IRA).</li> <li>• For foreign bidders the bid security MUST be issued by a Kenyan Bank or an authorized financial institution that has a corresponding bank in Kenya licensed by Central Bank of Kenya (CBK)</li> </ul>
14.	Section 2(B) - Bid Data Sheet - 22.1	3. Bid Security Page 19	Kindly clarify the acceptable mode of submission and verification for the Digital Tender Security in scenarios where banks issue only physical Bank Guarantees and do not provide QR code or online verification mechanisms.	<p>If bidders choose to submit an Original hard copy the tender security MUST be deposited in the TENDER SECURITY BOX Located at Times Tower - Building, Ground Floor. In case of submission of a digital tender security, the issuer must provide a verifiable mechanism to authenticate the security, such as a QR code or an online verification portal etc.</p>
15.	Section 2(B) - Bid Data Sheet - 1(j) Electronic	Procurement System Page 19	Please clarify the turnaround time for approval once a bidder has completed registration on the Electronic Procurement System.	Within 48 hours upon submission of required documents
16.	Section 1(A) - Request for Proposal- (5) Page 19	General	With reference to Section 1(A) – Request for Proposal, which states that the RFP is not transferable to any other firm, please clarify the scope of this restriction, particularly in relation to consortium members, subcontractors, or affiliated entities involved in the execution of the project	<p>Bidders are advised that the RFP is not transferable to any other firm. This restriction applies throughout the process and does not preclude consortium members, subcontractors, or affiliated entities from participating in the execution of the project, provided their roles are clearly defined in the bid submission and the prime bidder assumes overall contractual responsibility.</p>
17.	Section 2(A). ITC 10.2 Page 6	Document Comprising the Proposal	While ITC 10.2 mandates the inclusion of a compliance declaration within the Financial Proposal Submission Form, the standard form provided does not include this wording and bidders are not permitted to amend prescribed formats. Please advise how bidders should comply with this requirement without deviating from the original form structure.	<p>Bidders are advised that ITC 10.2 is a general instruction to tenderers. In addition, the RFP document provides Form SD2 on page 40 requiring the tenderers to declare that they will not engage in any corrupt or fraudulent practices.</p>
18.	Section 2(B) - Bid Data Sheet - 1(j)	Electronic Procurement System Page 19	Kindly clarify whether the submission of bids shall be carried out through the previously used SAP-based e-procurement portal or the new eGP system. Please confirm	<p>Bidders are advised that submission of bids shall be done via the KRA SAP-based e-procurement portal</p>

		which platform bidders must follow for registration, submission of technical and financial bids, and all electronic uploads under this RFP.	
19.	Section 2(B) - Bid Data Sheet - 1(I)	Electronic Procurement System Page 19	Please clarify whether there is any maximum file size limit per document for upload on the tender portal.
20.	Project Commencement	Kindly specify the expected timeline within which the project is to commence after execution of the contract.	The project commencement date will be well spelt in the contract.
21.	ITC 18. Sealing and Marking of Proposals Page 9	Sealing and Marking Please clarify if this is applicable for online submission through eprocurement system - for Marking Original and Copies.	The requirement is not applicable for online submission through the eProcurement system
22.	ITC 18. Sealing and Marking of Proposals Page 9	Sealing and Marking Please clarify whether the requirement for marking 'Original' and 'Copies' is applicable in the case of online submission through the e-Procurement system. If copies are still required, kindly specify the number of copies and the correct method of categorizing and uploading them within the Tech C folder.	The requirement is not applicable for online submission through the eProcurement system
23.	Section 2(B) - Bid Data Sheet - 1(I) Electronic Procurement System Page 19	Kindly clarify if the Financial Bid will be secured using a private key encryption mechanism within the e-Procurement system, and outline the process by which the Financial folder will be decrypted and opened following technical qualification.	Please note that the Supplier portal is secure with the following security measures: (i) Access by consultants is via secure connection. Participating consultants should use the given User ID and Password to log in to the portal. (ii) Upon submission, Proposals are automatically end-to-end encrypted before storage into the database. (iii) Access to the Technical and Financial proposal folders by KRA personnel is role based with controlled authorization and only accessible at requisite date and time.
24.	Section 5 – Terms of Reference (TOR) (1.5) Page 57	Technical Requirements Comprehensive Specification Page 57 Kindly clarify the current status and condition of the existing hardware, including whether it is newly installed or legacy equipment, and whether it will be made available for use by all bidders on an equal basis. Additionally, please confirm whether KRA will provide an SDK for integration with the hardware, particularly for Direct Marking applications.	Bidders are advised that the scope of work requires the replacement of all existing hardware and software with new hardware and software for each product category. KRA will not provide an SDK for hardware integration. Bidders shall be responsible for providing all necessary SDKs, APIs, interfaces, and integration tools required to support hardware integration, including Direct Marking applications, as part of their proposed solution.
25.	Clause 22.1 - 9. Certificates Page 19	Mandatory Requirements With reference to the mandatory requirement for 'Valid Registration and Accreditation Certificate in Security Printing', kindly specify the exact certificate name(s) that	The mandatory requirement refers to a valid registration and accreditation certificate issued by a recognized national or international authority in security printing. Acceptable certificates include,

		will be considered acceptable for evaluation and qualification purposes.	but are not limited to, accreditation from national standards bodies, ISO/IEC certifications relevant to security printing, or equivalent recognized industry certifications.
26.	Clause 22.1 - 9. Certificates Page 19	Mandatory Requirements	We note that performance is audited by Big 4 auditing firms in Kenya. In this context, and considering that process maturity and software development capability will form a key part of the evaluation, we request KRA to include CMMI Certification as a mandatory or acceptable certification for Software Development, as it is a globally recognized standard for assessing process performance and quality governance.
27.	Section 5 – Terms of Reference (TOR) (1.5)	Technical Requirements Comprehensive Specification Page 57	With reference to the Taxpayer Site requirements, it is assumed that space, electricity, and LAN connectivity will be provided by the Taxpayer, while the bidder will provide the necessary equipment along with the network infrastructure between the Taxpayer site and KRA Primary Data Centre. Kindly confirm whether this assumption is correct.
28.	Section 5 – Terms of Reference (TOR)	1.4 Current Landscape of the Stamps Regime in Kenya Page 54	Kindly provide us with the list of Taxpayers with production line speed. This will help us to prepare the implementation plan and financial proposal accordingly.
29.	Section 5 – Terms of Reference (TOR)	1.4 Current Landscape of the Stamps Regime in Kenya Page 54	<p><b>NOTE:</b> Kindly clarify whether there are any overseas taxpayers to whom tax stamps are required to be supplied directly. If so, please confirm that all related costs, including customs duties, transportation, and associated logistics charges, will be borne directly by the respective taxpayers.</p> <p>In order to enable us to submit a comprehensive technical proposal and a competitive financial proposal, we respectfully request KRA to organise a reference site visit to selected KRA-approved factories. This will allow bidders to assess production speeds and other relevant technical parameters. Such site visits are a standard practice in large-scale tenders and will support accurate technical planning and realistic commercial quoting</p>
30.	c) Technical Requirements Page 23	Technical Requirements	<p>Bidders are advised to rely on the information provided in SECTION 5: TERMS OF REFERENCE, Clause 1.4 – Current Landscape of the Stamps Regime, and other tender documentation for estimation of production speeds and relevant technical parameters when preparing their technical and financial proposals.</p>
31.	Section 5 – Terms of Reference (TOR)	1.4 Current Landscape of the Stamps Regime in Kenya Page 54	Kindly provide the technical specifications of the existing applicators currently in use by the manufacturers
			Bidders are advised that this is a new tender and not tied to the existing vendor infrastructure.

32.	2. Form FIN-2: Summary of Costs A) Secure marks Page 45	General	To ensure commercial viability and recovery of the required investment, please clarify whether KRA is willing to guarantee a minimum annual volume of 3 billion tax stamps, aggregating to 15 billion tax stamps over a five-year period?	<p><b>NOTE:</b> The RFP requests Audited Financial Statements only up to FY 2023. Please clarify whether bidders may also include the Audited Financial Statements for FY 2024-2025 as part of the last three years' financial documentation.</p>	<p>Bidders are advised that SECTION 5: TERMS OF REFERENCE, 1.4 – Current Landscape of the Stamps Regime:</p> <p>The annual excise stamp volume is estimated at 3 billion, with an estimated ratio of 2.75:1 (digital to paper). Bidders are advised to use this information for estimation purposes when preparing their technical and financial proposals.</p>
33.	Section 2(B) - Bid Data Sheet - 22.1 7. Proof of Financial Resources Page 19	Mandatory Requirements	The RFP requests Audited Financial Statements only up to FY 2023. Please clarify whether bidders may also include the Audited Financial Statements for FY 2024-2025 as part of the last three years' financial documentation.	<p><b>NOTE:</b> The annual excise stamp volume is estimated at 3 billion, with an estimated ratio of 2.75:1 (digital to paper). Bidders are advised to use this information for estimation purposes when preparing their technical and financial proposals.</p>	<p><b>NOTE:</b> The annual excise stamp volume is estimated at 3 billion, with an estimated ratio of 2.75:1 (digital to paper). Bidders are advised to use this information for estimation purposes when preparing their technical and financial proposals.</p>
34.	Section 2(B) - Bid Data Sheet - 22.1 16. Commercial and Operational Model Pg 20	Mandatory Requirements	For the Statement of Commitment, kindly provide a specific format or template to be uniformly followed by all bidders.	<p><b>NOTE:</b> The annual excise stamp volume is estimated at 3 billion, with an estimated ratio of 2.75:1 (digital to paper). Bidders are advised to use this information for estimation purposes when preparing their technical and financial proposals.</p>	<p><b>NOTE:</b> The annual excise stamp volume is estimated at 3 billion, with an estimated ratio of 2.75:1 (digital to paper). Bidders are advised to use this information for estimation purposes when preparing their technical and financial proposals.</p>
35.	Section 2(B) - Bid Data Sheet - 20.1 Page 20	Bid Opening	Kindly confirm if bidders' authorized representatives will be allowed to attend and physically witness the technical bid opening on the specified opening date? If yes which floor is the SCM meeting room?	<p><b>NOTE:</b> The annual excise stamp volume is estimated at 3 billion, with an estimated ratio of 2.75:1 (digital to paper). Bidders are advised to use this information for estimation purposes when preparing their technical and financial proposals.</p>	<p><b>NOTE:</b> The annual excise stamp volume is estimated at 3 billion, with an estimated ratio of 2.75:1 (digital to paper). Bidders are advised to use this information for estimation purposes when preparing their technical and financial proposals.</p>
36.	Section 2(A). ITC 6. Eligibility (6.7) Page 5	General	Please clarify whether the margin of preference will be applicable to international bidders or if it is restricted only to domestic bidders.	<p><b>NOTE:</b> The annual excise stamp volume is estimated at 3 billion, with an estimated ratio of 2.75:1 (digital to paper). Bidders are advised to use this information for estimation purposes when preparing their technical and financial proposals.</p>	<p><b>NOTE:</b> The annual excise stamp volume is estimated at 3 billion, with an estimated ratio of 2.75:1 (digital to paper). Bidders are advised to use this information for estimation purposes when preparing their technical and financial proposals.</p>
37.	Section 2(A). ITC 15. Technical Proposal Format and Content (15.2) Page 8	General	Please clarify whether the restriction of one CV per role is mandatory, and if so, the reason for not permitting two CVs for roles where the responsibilities may require additional staffing.	<p><b>NOTE:</b> The annual excise stamp volume is estimated at 3 billion, with an estimated ratio of 2.75:1 (digital to paper). Bidders are advised to use this information for estimation purposes when preparing their technical and financial proposals.</p>	<p><b>NOTE:</b> The annual excise stamp volume is estimated at 3 billion, with an estimated ratio of 2.75:1 (digital to paper). Bidders are advised to use this information for estimation purposes when preparing their technical and financial proposals.</p>
38.	Section 5 – Terms of Reference (TOR) (1.5)	Technical Requirements Comprehensive Specification (20) Page 62	With reference to Manufacturer Readiness Certification, please clarify the proposed timeline for evaluation of the 1,800+ manufacturers from the bidder's side, the joint evaluation process, and the expected commencement of the project thereafter.	<p><b>NOTE:</b> The annual excise stamp volume is estimated at 3 billion, with an estimated ratio of 2.75:1 (digital to paper). Bidders are advised to use this information for estimation purposes when preparing their technical and financial proposals.</p>	<p><b>NOTE:</b> The annual excise stamp volume is estimated at 3 billion, with an estimated ratio of 2.75:1 (digital to paper). Bidders are advised to use this information for estimation purposes when preparing their technical and financial proposals.</p>

39.	Section 5 – Terms of Reference (TOR) (1.5)	Technical Requirements Comprehensive Specification (20) Page 62	With reference to Manufacturer Readiness Certification, please clarify the party responsible for bearing the fees of the KRA-approved independent firm. Further, please outline the support to be provided by KRA during bidder evaluations conducted across the 1,800+ manufacturers throughout the country	Prospective bidders are advised to refer to the requirements outlined on RFP Page 62 – Manufacturer Readiness Certification Program. NOTE: Prospective bidders are requested to clearly state how their proposed system will implement the required features.
40.	Section 5 – Terms of Reference (TOR) (1.5)	Technical Requirements Comprehensive Specification (20) Page 62	Kindly confirm how often the Manufacturer Readiness Certification will be evaluated by an independent firm or via joint evaluation	Prospective bidders are advised to refer to the requirements outlined on RFP Page 62 – Manufacturer Readiness Certification Program. Note: The Manufacturer Readiness Certification Program is to be conducted annually or following any major system enhancement.
41.	Section 5 – Terms of Reference (TOR) (1.5)	Technical Requirements Comprehensive Specification (20) Page 62	Please advise the process and obligations for manufacturers after the expiration of the certification validity, including applicable timelines for renewal or re-certification?	Prospective bidders are advised to refer to the requirements outlined on RFP Page 62 – Manufacturer Readiness Certification Program. Note: Prospective bidders are requested to clearly state how their proposed system will implement the required features.
42.	40. Interest on Delayed Payments 35.2 Pages 81	Payment	Please clarify the applicable interest rate for delayed payments and the method of calculation, including the period from which such interest becomes effective.	Bidders are advised that KRA shall make payments to the bidder in accordance with the provisions of the Contract.
43.	45. Mode of Billing and Payment 36.11 Pages 103	Payment	Kindly specify the advance payment percentage against Bank Guarantee and the adjustment mechanism in subsequent payments	Bidders are advised to refer Section 9 appendices of the RFP on Page 89-90
44.	Section 2(B) - b) Firm and Consultants' Requirements Page 22	Evaluation	3.Bidders should also attach the following evidence: In the case of partnership agreement, partnership agreement with other company (-ies) for the provision of the systems and solutions covered under the specifications of this RFP (2 marks) - Clause 3 specifies submission of partnership agreements for bidders collaborating with other companies, carrying 2 marks. Kindly clarify how this criterion will be evaluated for bidders who are individually executing the project without any partnership or third-party collaboration	Bidders executing the project individually, without any partnership or third-party collaboration, shall be eligible for the full 2 marks under this criterion, provided they clearly demonstrate their capacity to independently perform all aspects of the contract.
45.	Section 2(B) - b) Firm and Consultants' Requirements Page 22	Evaluation	In case of a partnership, the bidder shall list the role of each company in the performance of the contract and list all points of business interaction(s) between the partner companies. (2 marks) - Kindly clarify how this criterion will be evaluated for bidders who are individually executing the project without any partnership or third-party collaboration	Bidders executing the project individually, without any partnership or third-party collaboration, shall be eligible for the full 2 marks under this criterion, provided they clearly demonstrate their capacity to independently perform all aspects of the contract.
46.	F Fairness and Good Faith 47. Good Faith Pages 104	Price Parity	Considering that the incumbent service provider has already deployed hardware and the EGMS application under the existing arrangement, please clarify the measures KRA will implement to ensure a level playing field and pricing parity among all bidders, particularly where the incumbent may	Bidders are advised that the scope of work requires the replacement of all existing hardware and software with new hardware and software for each product category.

		not require equivalent capital investment compared to new bidders.
47.	Section 5 – Terms of Reference (TOR) (1.5) Technical Requirements Comprehensive Specification (3) Page 57	With reference to Section 5; Terms of Reference and Technical Requirements Page 57, kindly clarify whether all bidders, including the incumbent service provider, will be required to deploy new hardware, equipment, and infrastructure as specified under the EGMS scope. If the incumbent's existing hardware and systems are permitted to continue in use, please specify the conditions, evaluation considerations, and whether equal access to such infrastructure will be provided to all bidders to ensure fairness during implementation
48.	-	Please clarify whether connectivity to the economic operators' sites is to be provided by the economic operators themselves, or whether the EGMS Provider is expected to provision and fund this connectivity.
49.	-	For Mandatory Requirement No. 7 (Proof of Financial Resources) and Mandatory Requirement No. 8 (Average Annual Turnover), please confirm whether these requirements apply only to the prime bidder, or whether each consortium member must individually meet and submit evidence for these financial thresholds.
50.	-	With respect to Mandatory Requirement No. 33 (1-year warranty) and No. 34 (5-year post-warranty support and maintenance), please clarify the intended timing. Our interpretation (Scenario A) is that the 1-year warranty covers the final 12 months of the implementation phase, after which the 5-year post-warranty support period begins. Alternatively, (Scenario B), is the 1-year warranty intended to begin after implementation is completed, followed by an additional 5- year post-warranty support period? Please confirm which scenario is correct.
51.	-	In relation to Mandatory Requirement No. 35 (Implementation & Knowledge Transfer), please clarify whether a single commitment letter signed by the prime bidder on behalf of the consortium is acceptable, or whether each consortium member is required to issue an individual commitment letter
		Subject is made to the "Mandatory Requirements" of the tender document no. 22.1, clauses 23 and 24 (page 20): Are we correct in the assumption, that these two declarations also need to be completed and signed by the "parent company" of an international vendor with a subsidiary in Kenya? In other words, if there is a bidder
		KRA wishes to clarify that the requirements under Clauses 23 and 24 (Page 20) remain unchanged and shall apply as stated in the tender document.

		with HQ outside of Kenya and a subsidiary within Kenya where the subsidiary submits the bid, also the HQ has to sign these two documents, right?	
52.	-	Could you kindly confirm our eligibility and advise if any additional steps are required to ensure our registration and full access to the KRA e-Procurement portal for this tender?	Bidders are required to be duly registered on the KRA e-Procurement Portal to participate in this tender. In case of any challenges with registration or access, kindly contact <a href="mailto:eprocurement@kra.go.ke">eprocurement@kra.go.ke</a> for assistance.
53.	-	As the KPI's and the related penalties are quite tough, we intend to submit the best bid possible. Therefore, please send us the details of all the automated production lines in Kenya where Tax labels are applied onto the respective products. The required details are: hourly throughput, location, environmental conditions (e.g. climatized or not...), installed equipment which could be re-used.	Bidders are advised to use the information provided in SECTION 5: TERMS OF REFERENCE, Clause 1.4 – Current Landscape of the Stamps Regime, as a reference for estimation purposes: NOTE: Bidders should use this data to prepare their implementation plans and financial proposals accordingly.
54.	-	Are we correct in the assumption, that the current contract holder also needs to quote for all equipment used during the new contract duration? In other words: Are we correct in assuming that every bid MUST CONTAIN new equipment for the products and services requested by KRA	Bidders are advised that the scope of work requires the replacement of all existing hardware and software with new hardware and software for each product category.
55.	-	Are we correct in the assumption, that the current contract holder also needs to quote for all equipment used during the new contract duration? In other words: Are we correct in assuming that every bid MUST CONTAIN new equipment for the products and services requested by KRA	Bidders are advised that the scope of work requires the replacement of all existing hardware and software with new hardware and software for each product category.
56.	-	From the Mandatory Requirements number 9 (page 19) worded "Valid Registration and Accreditation certificate in security printing" (screenshot attached), we seek clarity on the exact certificate required or recognized authorizing body. Our consultations with KEBS and ICTA only identify ISO 270001 as the closest fit for this requirement, but urged that we seek further clarity and guidance from the Procuring entity.	The mandatory requirement refers to a valid registration and accreditation certificate issued by a recognized national or international authority in security printing. Acceptable certificates include, but are not limited to, accreditation from national standards bodies, ISO/IEC certifications relevant to security printing, or equivalent recognized industry certifications.
57.	-	Section 22.1.n states "The Consultant, its sub-consultants and experts have no conflicts of interest."	Bidders are advised to refer to Section 2: Instructions to Consultants and Data Sheet, Item No. 3 (Conflict of Interest- page (4) of the tender document, which clearly outlines what constitutes a conflict of interest.
58.	-	Page 46: Performance-Based Commercial Model (PBCM)	Prospective bidders are advised to refer to the requirements outlined on RFP Page 46 under "1. ADDITIONAL NOTES TO FORM FIN-2."
59.		Page 55, section 2: Distribution Stage a. GPS-based tracking	Bidders are advised to clearly describe how their proposed solution will achieve the three (3) stated requirements: GPS-based tracking, sealed digital manifests (immutable), and geo-fenced delivery

	b. Sealed digital manifests (immutable) c. Geo-fenced delivery route	solution provided by / to be sourced from a different vendor? In case of (a), can the Authority provide some clarifications on the desired GPS-based tracking solution, regarding for instance: a. The types and number of vehicles that need to be tracked annually; b. Whether mixed consignments of excisable and non-excisable goods should also be in scope; c. Whether there is a minimum threshold of excisable goods that require the usage of GPS devices; d. Any requirements on the type of GPS devices; e. The expected number of GPS devices; f. Who is responsible for managing, maintaining, applying, commissioning, decommissioning and reverse logistics of GPS devices; g. What business model should be considered;	routes. Bidders should provide details on the functionalities, processes, and technologies that will ensure compliance with these requirements.
60.	Page 58, section 7: Minimum throughput capability	Can the Authority confirm that the speed of beverage lines exceeds 15,000 units / min?	Bidders are advised that Requirement 1.5 – Technical Requirements (Comprehensive Specification), Item No. 7: Production-Line Performance KPIs – Minimum Throughput Capability has been amended. The specification: a. Beverage lines: $\geq$ 15,000 units/min shall be expunged and replaced with: a. Beverage lines: $\geq$ 1,500 units/min
61.	Page 61, section 14: Retail Scanner Specifications	Can the Authority clarify whether the Bidder: (a) shall include in the solution scanners that meet the provided specifications, which can be used by retail shops, or alternatively (b) that the solution shall be compatible with existing scanners that follow these specifications? Can the Authority clarify the expected number of scanners, and who will be responsible for their installation and maintenance?	Bidders are advised to clearly describe how their proposed solution provides the functional and technical capabilities required to support Consumer Authentication and Retail Verification, including the end-to-end processes, enabling technologies, and operational workflows.
62.	Page 62, section 20, paragraphs (d) and (e)	Can the Authority clarify what type of equipment should be subsidized to small and low-capacity manufacturers? Subsidies seem to be incompatible with the business model of the contract, which is an all-inclusive fee based on the number of stamps.	Prospective bidders are advised to refer to the requirements outlined on RFP Page 62 – Manufacturer Readiness Certification Program. NOTE: Prospective bidders are requested to clearly state how their proposed system will implement the required features.
63.	Page 65, section 9: Data Schema Transparency	Can the Authority confirm whether it is acceptable for Bidders to commit to provide the full data schema only once the contract is signed? This is a highly confidential	Bidders are advised that it is acceptable to provide the full data schema upon contract signing, given its highly confidential nature. Bidders are,

		document, that incorporates a significant amount of intellectual property
64.	-	Page 67, section 28: Retail POS Integration
65.	-	Page 67, section 28: Mobile Money Integration
66.	-	Page 7, section 12.9: Sub-contracting
67.	-	Page 55, section 5, 1.5.1, FCTC requirements
68.	-	P.45, section 4 Financial proposal
69.	-	P.45, section 4 Financial proposal

Can the Authority provide some documentation on the existing APIs of the major POS systems?

Can the Authority provide some documentation on the existing APIs of the M-Pesa, Airtel Money, and T-Kash systems?

At what stage is the Bidder expected to seek KRA's written approval for subcontracting part of the services?

As stated in chapter 8.14 of the FCTC Protocol, can Bidders consider that the tobacco industry may be required to bear any costs associated with that Party's obligations under this Article?

Form FIN 2, bullet point 3 states that "Bidders are however required to provide a typical cost breakdown of what constitutes the aggregated price quoted". Could KRA clarify if the price breakdown is by product category?

Could KRA confirm that bidders are allowed to quote for a different price per industry (product categories)?

however, expected to demonstrate in their technical proposal that their solution supports the required Data Schema Transparency and clearly describe how data will be structured, managed, and shared in line with the contract requirements.

Bidders are advised that KRA has an Enterprise API gateway. Bidders are also advised to consult the API documentation of the relevant solution providers to ensure proper integration with their proposed solution.

Bidders are advised that API documentation for third-party mobile money platforms, namely M-Pesa, Airtel Money, and T-Kash, is provided and managed by the respective service providers. The proposed solution shall integrate with these platforms using their APIs. Integration with Kenya Revenue Authority systems shall be through the Authority's Enterprise API Gateway. Bidders are required to demonstrate in their technical proposals their capability and approach to integrating with the said mobile money platforms.

Reference to Page 7, Section 12.9 on Sub-contracting, bidders are hereby advised that written approval from the Authority for subcontracting shall be sought after contract award and prior to the engagement of any subcontractor. Bidders are only required to declare their intention to subcontract, if any, and provide the requisite information as stipulated in the RFP.

Bidders are advised that, in line with Chapter 8.14 of the FCTC Protocol, the tobacco industry may be required to bear any costs associated with that Party's obligations under this Article.

Bidders are advised that the price breakdown should be provided by product category. Bidders are expected to clearly indicate the costs that constitute the aggregated price quoted for each category.

Bidders are advised that the price breakdown should be provided by product category. Bidders are expected to clearly indicate the costs that constitute the aggregated price quoted for each category.

70.	-	P.45, section 4 Financial proposal	Note number 1 states "All prices should be in Kenya Shillings inclusive of all applicable taxes". Could KRA confirm whether bidders are allowed to quote their price exclusive of all taxes? Local Tax landscape could evolve in the next 5 years and bidders are not in a position to include these potential changes in their price	Bidders are advised that all prices shall be quoted in Kenya Shillings (KES) and shall be inclusive of all applicable taxes, duties, and levies.
71.	-	Cost of the program	Could KRA confirm whether the cost of the program would be supported by KRA (i.e. bidders invoicing to and be paid by KRA) or alternatively whether the cost of the program is directly transferred to Economic Operators (i.e. bidders invoicing stamp fees to and be paid by the Economic Operators)?	Bidders are advised that they shall invoice KRA directly, and payments shall be made by KRA in accordance with the terms and conditions of the contract.
72.	-	Cost of the program	Could KRA confirm whether change requests should be part of bidders' all-inclusive price or alternatively whether change requests can be billed separately (outside the cost of the stamps)?	Bidders are advised that all change requests shall be included within the bidders' all-inclusive price. No additional charges outside the cost of the stamps will be permitted.
73.	-	P.45, section 4 Financial proposal	Could KRA provide additional information about the 6.1 billion Digital Codes and the 2.8 billion Paper Stamps mentioned in the table? In particular, could KRA explain how these figures articulate with the current consumption of 3 billion excise stamps mentioned in note number 4 below the table?	Bidders are advised that FORM FIN-2A: Secure Marks had been amended. The Estimated Quantity for Five (5) Years shall now be as follows: 11 billion Digital Codes and 4 billion Paper Stamps.
74.	-	P.17, Section 2, Data Sheet point 16.2 & P.45 & p.46 Section 4 Financial proposal	Point 16.2 of the data sheet states that price adjustments are not allowed. Form FIN 2 note 2 states "No escalation of prices during the Contract period". Additional Notes to Form FIN 2 state that regarding pricing models, "The tier structures represent the proposed working model. The final tier thresholds and adjustment percentages may be revised based on additional review and modelling". Could KRA confirm whether price adjustment over the 5 years is allowed, or on the contrary if bidders should quote for a fixed price in Kshs over the project duration?	Prospective bidders are advised to refer to the requirements outlined on RFP Page 46 under "1. ADDITIONAL NOTES TO FORM FIN-2".
75.	-	P.46 Section 4 Financial proposal	Could KRA confirm whether tier pricing is the only working model that would be accepted in terms of price adjustment over the 5 years? Alternatively, could KRA confirm that bidders are allowed to adjust their price to other dimensions than the ones proposed (such as macroeconomics data for example)?	Any price adjustments will be as guided by the Public Procurement Laws of Kenya and the provisions of the Contract.
76.	-	P.46 Section 4 Financial proposal	In case KRA confirms that tier pricing is the only working model that would be accepted in terms of price adjustment, could KRA confirm whether bidders are allowed to propose a different tier pricing model than the Revenue Tier	Prospective bidders are advised to refer to the requirements outlined on RFP Page 46 under "1. ADDITIONAL NOTES TO FORM FIN-2".

		Structure and the Volume Tier Structure mentioned in FORM FIN 2?	
77.	-	P.46 Section 4 Financial proposal Regarding the Revenue Tier Pricing, could KRA confirm that if Annual Excise Revenue Range is between KES 100.01B and KES 130B, bidders' prices would increase retroactively by 3% across all product categories?	Prospective bidders are advised to refer to the requirements outlined on RFP Page 46 under "ADDITIONAL NOTES TO FORM FIN-2."
78.	-	P.46 Section 4 Financial proposal Regarding the Volume Tier Pricing, could KRA confirm why baseline volumes are not aligned with current stamps consumption stated on the note number 4 on page 45? Regarding Volume Tier Pricing, could KRA confirm that if at year end, additional volume marked vs baseline volume is from 0 to 0.5B (for example if total annual volume is 3.7B), bidder price increase retroactively by 2% across all product categories for the total annual volume marked (i.e. 3.7B in this example)?	Prospective bidders are advised to refer to the requirements outlined on RFP Page 46 under "ADDITIONAL NOTES TO FORM FIN-2."
79.	-	Form FIN 3 and Form FIN 4 Could KRA confirm that bidders are not expected to submit these 2 Forms since not applicable?	The two forms are part of the standard RFP document. However, KRA envisaged solution is expected to be self-funding and the cost of implementation to be recovered through sale of stamps during the duration of the contract period

Bidders are advised this is the last set of clarifications to allow prospective bidders sufficient time to prepare and respond to the tender.

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

Regards,



**Benson Kiruja,  
Ag. Deputy Commissioner - Supply Chain Management**

*(Signature)*  
*Note: All italicized text is for use in preparing this form and shall be deleted from the final product.*

*[Signature(s)]*

4. This guarantee will expire: (a) if the Applicant is the successful Tenderer, upon our receipt of copies of the contract agreement signed by the Applicant and the Performance Security and, or (b) if the Applicant is not the successful Tenderer, upon the earlier of (i) our receipt of a copy of the Beneficiary's notification to the Applicant of the results of the Tendering process; or (ii) thirty days after the end of the Tender Validity Period.

5. Consequently, any demand for payment under this guarantee must be received by us at the office indicated above on or before that date.

(a) has withdrawn its Tender during the period of Tender validity set forth in the Applicant's Letter of Tender ("the Tender Validity Period"), or any extension thereto provided by the Applicant; or

(b) having been notified of the acceptance of its Tender by the Beneficiary during the Tender Validity Period or any extension thereto provided by the Beneficiary during the Tender Validity Period, or (i) has failed to furnish the Performance.

3. At the request of the Applicant, we, as Guarantor, hereby irrevocably undertake to pay the Beneficiary any sum or sums not exceeding in total an amount of \_\_\_\_\_ (\_\_\_\_\_) upon receipt by us of the Beneficiary's statement accompanying demand, supporting the demand, stating that either the Applicant or a separate signed document accompanying the demand, supporting the Beneficiary's statement, whether in the demand itself or a separate signed document accompanying the demand, supporting the Beneficiary's statement, ("the ITT").

2. Furthermore, we understand that, according to the Beneficiary's conditions, Tenders must be supported by a Tender guarantee.

1. We have been informed that \_\_\_\_\_ (hereinafter called "the Applicant") has submitted or will submit to the Beneficiary its Tender (hereinafter called "the Tender") for the execution of \_\_\_\_\_ under Request for Tenders No. \_\_\_\_\_ ("the ITT").

**Guarantor:** \_\_\_\_\_  
**TENDER GUARANTEE No.:** \_\_\_\_\_  
**Date:** \_\_\_\_\_  
**Beneficiary:** \_\_\_\_\_  
**Request for Tenders No.:** \_\_\_\_\_  
**Guarantor:** \_\_\_\_\_

**FORM OF TENDER SECURITY-Option 1-Demand Bank Guarantee**

**ANNEX 1- BID SECURITY TEMPLATES**

1/1/2012

product.

Note: All italicized text is for use in preparing this form and shall be deleted from the final

[Seal]

[Witness]

[Signature of the Guarantor]

[Date]

the office indicated above on or before that date.  
Consequently, any demand for payment under this guarantee must be received by us at

Period.  
of the Tendering process; or (ii) twenty-eight days after the end of the Tender Validity  
(i) our receipt of a copy of the Beneficiary's notification to the Applicant of the results  
Security and, or (b) if the Applicant is not the successful Tenderer, upon the earlier of  
receipt of copies of the contract agreement signed by the Applicant and the Performance  
4. This guarantee will expire: (a) if the Applicant is the successful Tenderer, upon our  
receipt upon receipt of the Procuring Entity's first written demand, without the Procuring  
Entity having to substantiate its demand, provided that in its demand the Procuring  
amount upon receipt of the Procuring Entity's first written demand, with the Procuring  
then the guarantee undertakes to immediately pay to the Procuring Entity up to the above  
specifying which event(s) has occurred.

Entitled to state that the demand arises from the occurrence of any of the above events,  
Entity shall state that the demand arises from the occurrence of any of the above events,  
having to execute the Contract agreement, or (ii) has failed to furnish the  
Performance Security, in accordance with the instructions to tenderers ("ITT") of  
failed to execute the Contract agreement, or (ii) has failed to furnish the  
the Tender Validity Period or any extension thereto provided by the Principals; (i)  
b) having been notified of the acceptance of its Tender by the Procuring Entity during  
the Procuring Entity's Tendering document.

a) has withdrawn its Tender during the period of Tender validity set forth in the  
Principals' Letter of Tender ("the Tender Validity Period"), or any extension thereto  
provided by the Principals; or  
3. NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the  
Applicant:

Sealed with the Common Seal of the said Guarantor this \_\_\_\_ day of \_\_\_\_ 20 \_\_\_\_.

KNOW ALL PEOPLE by these presents that WE ..... of ..... [Name of  
Insurance Company] having our registered office at ..... (hereinafter called "the  
Guarantor"), are bound unto ..... [Name of Procuring Entity] (hereinafter called "the  
Procuring Entity") in the sum of ..... (Currency and guarantee amount) for which  
payment well and truly to be made to the said Procuring Entity, the Guarantor binds itself, its  
successors and assigns, jointly and severally, firmly by these presents.

1. Whereas ..... [Name of the tenderer] (hereinafter called "the tenderer") has  
submitted its tender dated ..... [Date of submission of tender] for the ..... [Name  
and/or description of the tender] (hereinafter called "the Tender") for the execution of  
under Request for Tenders No. ..... ("the ITT").

TENDER GUARANTEE No: \_\_\_\_\_

FORMAT OF TENDER SECURITY Option 2-Insurance Guarantee