

KENYA PIPELINE COMPANY LIMITED



**TENDER FOR IN-LINE INSPECTION OF 14-
INCH NAIROBI-ELDORET (LINE -4) AND 10-INCH
SINENDET-KISUMU (LINE -6) MULTI-PRODUCT
PIPELINES**

TENDER NUMBER KPC/PU/012-OT/18-19

February 2019

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1.0 SECTION I: INVITATION FOR TENDERS

Tender Reference Number KPC/PU/012-OT/18-19

TENDER FOR IN-LINE INSPECTION OF 14-INCH NAIROBI-ELDORET (LINE -4) AND 10-INCH SINENDET-KISUMU (LINE -6) MULTI-PRODUCT PIPELINES

1.1 The Kenya Pipeline Company Limited invites sealed tenders for **TENDER FOR IN-LINE INSPECTION OF 14-INCH NAIROBI-ELDORET (LINE -4) AND 10-INCH SINENDET-KISUMU (LINE -6) MULTI-PRODUCT PIPELINES**

1.2 Interested eligible candidates can view and download the documents from the website www.kpc.co.ke at no cost. Bidders will be required to email their detailed contact information to opentender@kpc.co.ke for recording, further clarifications and addenda. No other email addresses should be used.

1.3 Interested eligible candidates shall attach the following mandatory requirements and place them in a separate envelope marked “Mandatory Requirements”

- i. Certificate of Incorporation of the company/business registration for both foreign and local partner**
- ii. Valid KRA tax compliance certificate (for local/Kenyan firms)**
- iii. Tender Security of USD 10,000.00 issued by a reputable bank or insurance company approved by The Public Procurement Oversight Authority, Kenya (PPOA)**
- iv. Power of attorney duly signed**
- v. For foreign firms partnering with local firms, a Local Partnership Agreement/MOU or any form of agreement as per clause 3.0 of section II instruction to tenderers shall be required**
- vi. Signed Declaration Form.**
- vii. Paginate the entire document**
- viii. Signed and stamped certificate of site visit.**

A pretender meeting shall be held on 26th February 2019 at Nairobi terminal training room after which a Site visit will be held at PS 21- Nairobi terminal, PS 24 – Nakuru, PS 26- Sinendet, PS 27- Eldoret and PS 28- Kisumu between 26-28th February 2019

KPC reserves the right to confirm the authenticity of all documents submitted without notice to Tenderers. Any attempt by bidders to misrepresent themselves by submitting documents that are not genuine will amount to automatic disqualification.

- 1.4** Prices quoted should be inclusive of all taxes and delivery costs, must be expressed in **Kenya Shillings** and shall remain valid for a period of (150) days from the closing date of the tender.
- 1.5** There shall be no correction of arithmetic errors. The completed Price Schedules shall match KPC requirements. Any amendments to the KPC price schedule shall be considered non-responsive and result in disqualification of the bid.
- 1.6** Completed tender documents are to be enclosed in plain sealed envelopes, marked with the tender number and be deposited in the tender box provided at Kenpipe Plaza, Sekondi Road, Off Nanyuki Road, Industrial Area or be addressed and posted to:

**The Managing Director,
Kenya Pipeline Company Limited
P. O. Box 73442-00200
Nairobi – Kenya**

So as to be received on or before **10.00am 19th March 2019**

- 1.7** Tenders will be opened immediately thereafter in the presence of the tenderers representatives who choose to attend the opening at Kenya Pipeline Company Limited's Kenpipe Plaza, Sekondi Road, Off Nanyuki Road, Industrial Area.
- 1.8** Tender documents are not transferable. Kenya Pipeline Ltd reserves the right to accept or reject any tender either in whole or in part.

**GENERAL MANAGER SUPPLY CHAIN
FOR: MANAGING DIRECTOR**

SECTION II: INSTRUCTIONS TO TENDERERS

1.0 GENERAL INSTRUCTIONS

1.1 Definitions

Unless the context otherwise requires, the following definitions shall apply accordingly

a) **“Tenderer”** means any person or persons partnership firm or Procuring entity submitting a sum or sums in the Bills of Quantities in accordance with the Instructions to Tenderers, Conditions of Contract Parts I and II, Specifications, Drawings and Bills of Quantities for the work contemplated, acting directly or through a legally appointed representative.

b) **“Approved Tenderer”** means the Tenderer who is approved by the Procuring entity.

c) Any noun or adjective derived from the word **“tender”** shall be read and construed to mean the corresponding form of the noun or adjective **“bid”**. Any conjugation of the verb “tender” shall be read and construed to mean the corresponding form of the verb “bid”.

d) **“Procuring Entity”** means **The Kenya Pipeline Company Limited**

e) **“Corrupt”** means offering, giving, receiving, or soliciting of anything of value to influence the action of a public official in the procurement process or in contract execution

f) **“Fraudulent practice”** means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Procuring entity, and includes collusive practice among tenderer (prior to or after tender submission) designed to establish tender prices at artificial non-competitive levels and to deprive the Procuring entity of the benefits of free and open competition.

2.0 Eligibility and Qualification

This invitation to tender is open to all tenderers who are eligible as stated in the appendix.

The procuring entity’s employees, committee members, board members and their relatives (spouse and children) are not eligible to participate in the tender.

To be qualified for award of contract, the tenderer shall provide evidence satisfactory to the Employer of their eligibility under sub **Clause 2.2.1** above and of their capability and adequacy of resources

to effectively carry out the subject Contract. To this end, the tenderer shall be required to submit the following information with this tender:

- a) Details of experience and past performance of the tenderer on the works of a similar nature within the past five years and details of current work on hand and other contractual documents.
- b) The qualifications and experience of key personnel proposed for administration and execution of the contract, both on and off site.
- c) Major items of tools and equipment proposed for use in carrying out the contract. Only equipment in current production and use and suitable for the work required of it shall be shown on this schedule. The tenderer will also indicate on this schedule when each item will be available on the works.
Included also should be a schedule of equipment and material to be imported for the purpose of the contract, giving details of make, type, origin and CIF value as appropriate.
- d) Details of subcontractors to whom it is proposed to sublet any portion of the Contract and for whom authority will be requested for such subletting in accordance with **Clause 4** of the Conditions of Contract.
- e) A draft of Program of Works and schedule of payment which shall form part of the contract if the tender is accepted. Any change in the Program or Schedule will be subjected to the approval of the Engineer.
- f) Details of any current litigation or arbitration proceedings in which the Tenderer is involved as one of the parties.
- g) Audited accounts for the last five years to demonstrate financial capability for undertaking this project.

3.0 Joint Ventures

3.1 Tenders submitted by a joint venture of two or more firms as partners shall comply with the following requirements:

- (a) A Local Partnership Agreement as per requirements of this tender. International firms incorporated outside the Republic of Kenya must demonstrate partnerships with Local firms in a joint venture arrangement for this tender. The minimum shareholding for the local firm in the joint venture shall be

40% in all respects and the same must clearly be stated in the Agreement. Firms incorporated in Kenya must demonstrate that citizens of Kenya hold a minimum 51% shareholding to qualify for local firms.

- (b) The tender, and in case of a successful tender, the Form of Agreement, shall be signed to be legally binding on all partners.
- (c) One of the partners shall be nominated as being in charge; and this authorization shall be evidenced by submitting a power of attorney signed by legally authorized signatories of all the partners.
- (d) The partner in charge shall be authorized to incur liabilities and receive instructions for and on behalf of all partners of the joint venture and the entire execution of the Contract including payment shall be done exclusively with the partner in charge.
- (e) All partners of the joint venture shall be liable jointly and severally for the execution of the Contract in accordance with the Contract terms, and a relevant statement to this effect shall be included in the authorization mentioned under (b) above as well as in the Form of Tender and the Form of Agreement (in case of a successful tender).
- (f) A copy of the agreement entered into by the joint venture partners shall be submitted with the tender.
- (g) All foreign Tenderers must submit a local partnership agreement/subcontract showing that the Tenderer shall source at least 40% of its supplies from a citizen Contractor(s).

3.2 Contract Awards

To qualify for contract awards, the tenderer shall have the following:

- a) Necessary qualifications, capable experience, services, equipment and facilities to provide what is being procured.
- b) Capacity to enter into a contract for procurement.
- c) Shall not be insolvent, in receivership, bankrupt or in the process of being wound up and is not the subject of legal proceedings relating to the foregoing.
- d) Shall not be debarred from participating in public procurement.

4.0 Cost of Tendering

- a) The tenderer shall bear all costs associated with the preparation and submission of this tender and the Employer will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the tendering process.
- b) The price to be charged for the tender document shall be at no cost or its equivalent in US Dollar)
- c) The tenderer can view the document on-line free of charge before purchase.

5.0 Site Visit

A pretender meeting shall be held (see clause 16.0) at Nairobi terminal training room after which a Site visit will be held at PS 21- Nairobi terminal, PS 24 – Nakuru, PS 26- Sinendet, PS 27- Eldoret and PS 28- Kisumu on 26th February 2019 to 28th February 2019

- a) The tenderer is advised to visit and examine the Site and its surroundings and obtain for himself on his own responsibility, all information that may be necessary for preparing the tender and entering into a contract. The costs of visiting the Site shall be the tenderer's own responsibility.
- b) The tenderer and/ any of his personnel or agents will be granted permission by the Employer to enter upon premises and lands for the purpose of such inspection, but only upon the express condition that the tenderer, his personnel or agents, will release and indemnify the Employer from and against all liability in respect of, and will be responsible for personal injury (whether fatal or otherwise), loss of or damage to property and any other loss, damage, costs and expenses however caused, which but for the exercise of such permission, would not have arisen.
- c) The Employer shall organize a site visit at a date and time agreed between the Employer and the tenderer. A representative of the Employer will be available to meet the intending tenderers at the Site.

6.0 Tender Documents

- a) The price of the Tender document is NIL for one set of the Tender Document.
On no account will any person to whom tender decrements are furnished, part with possession thereof or copy disclose the provisions thereof or any of them or disclose or take copies or tracings of any drawing, plan or route forming part thereof, it being understood that the information therein is confidential,

and that the Tender Documents are therefore being furnished only to tenderers in the strictest confidence.

Tender documents are non-transferable

b) The Tender documents comprise the documents listed here below and should be read together with any Addenda issued in accordance with **Clause 7** of these instructions to tenderers.

- i. Form of Invitation for Tenders
- ii. Instructions to tenderers
- iii. Form of Tender
- iv. Appendix to Form of Tender
- v. Form of Tender Surety
- vi. Statement of Foreign Currency Requirements
- vii. Form of Performance Security
- viii. Form of Agreement
- ix. Form of Advance Payment Bank Guarantee
- x. Schedules of Supplementary Information
- xi. General Conditions of Contract – Part I
- xii. Conditions of Particular Application – Part II
- xiii. Specifications
- xiv. Bills of Quantities
- xv. Drawings
- xvi. Declaration

c) The tenderer is expected to examine carefully all instructions, conditions, forms, terms, specifications and drawings in the tender documents. Failure to comply with the requirements for tender submission will be at the tenderer's own risk. Pursuant to **Clause 24** of Instructions to Tenderers, tenders which are not substantially responsive to the requirements of the tender documents will be rejected.

d) All recipients of the documents for the proposed Contract for the purpose of submitting a tender (whether they submit a tender or not) shall treat the details of the documents as "private and confidential".

7.0 Inquiries by Tenderers

a) A tenderer making inquiries relating to the tender documents may notify the Employer in writing or by e-mail, facsimile at the Employer's mailing address indicated in the Invitation to Tender. The Employer will respond in writing to any request for clarification which he receives earlier than 7 days prior to the deadline for the submission of tenders. Written copies of the Employer's response (including the query but without identifying

the source of the inquiry) will be sent to all prospective tenderers who have purchased the tender documents.

- b) Clarification of tenders shall be requested by the tenderer to be received by the procuring entity not later than 7 days prior to the deadline for submission of tenders.
- c) The procuring entity shall reply to any clarifications sought by the tenderer within 3 days of receiving the request to enable the tenderer to make timely submission of its tender.

8.0 Amendment of Tender Documents

- a) At any time prior to the deadline for submission of tenders the Employer may, for any reason, whether at his own initiative or in response to a clarification requested by a prospective tenderer, modify the tender documents by issuing Addenda.
- b) Any Addendum will be notified in writing or by e-mail, to all prospective tenderers who have purchased the tender documents and will be binding upon them.
- c) In order to allow prospective tenderers reasonable time in which to take the Addendum into account in preparing their tenders, the Employer may, at his discretion, extend the deadline for the submission of tenders.
- d) If the tender documents are amended when the time remaining before the deadline for submitting tenders is less than one third of the time allowed for the preparation of tenders, or the time remaining is less than the period indicted in instructions to tenderers, Kenya Pipeline Company shall extend the deadline as necessary to allow the amendment of the tender documents to be taken into account in the preparation or amendment of tenders.

9.0 PREPARATION OF TENDERS

a) Language of Tender

- 2.9.a.1 The tender and all correspondence and documents relating to the tender exchanged between the tenderer and the Employer shall be written in the English language. Supporting documents and printed literature furnished by the tenderer with the tender may be in another language provided they are accompanied by

an appropriate translation of pertinent passages in the above stated language.

For the purpose of interpretation of the tender, the English language shall prevail.

10.0 Documents Comprising the Tender

- a) The tender to be prepared by the tenderer shall comprise: -
- i. The form of tender and appendix thereto.
 - ii. A tender security.
 - iii. The priced Bill of Quantity and Schedule.
 - iv. The information on eligibility and qualification.
 - v. Any other materials required to be completed and submitted in accordance with the instructions to tenderers.

The Forms, Bills of Quantities and Schedules provided in the tender documents shall be used without exception (subject to extensions of the schedules in the same format and to the provisions of **Clause 14.2** regarding the alternative forms of Tender Surety].

11.0 Tender Prices

- a) All the insertions made by the tenderer shall be made in **INK** and the tenderer shall clearly form the figures. The relevant space in the Form of Tender and Bills of Quantities shall be completed accordingly without interlineations or erasures except those necessary to correct errors made by the tenderer in which case the erasures and interlineations shall be initialled by the person or persons signing the tender.
- b) A price or rate shall be inserted by the tenderer for every item in the Bills of Quantities whether the quantities are stated or not items against which no rate or price is entered by the tenderer will not be paid for by the Employer when executed and shall be deemed covered by the rates for other items and prices in the Bills of Quantities.
- c) The prices and unit rates in the Bills of Quantities are to be the full [all-inclusive] value of the work described under the items, including all costs and expenses which may be necessary and all general risks, liabilities and obligations set forth or implied in the documents on which the tender is based. All duties and taxes and other levies payable by the Contractor under the Contract or for any other cause prior to the deadline for the submission of tenders, shall be included in the rates and prices and the total tender prices submitted by the Tenderer. Items against which no

price is entered by the Tenderer will not be paid for by the owner when executed and shall be deemed covered by the total amount.

- d) Each price or unit rate inserted in the Bills of Quantities should be a realistic estimate for completing the activity or activities described under that particular item and the tenderer is advised against inserting a price or rate against any item contrary to this instruction.
- e) Every rate entered in the Bills of Quantities, whether or not such rate be associated with a quantity, shall form part of the Contract. The Employer shall have the right to call for any item of work contained in the Bills of Quantities, and such items of work to be paid for at the rate entered by the tenderer and it is the intention of the Employer to take full advantage of unbalanced low rates.
- f) Unless otherwise specified the tenderer must enter the amounts representing 10% of the sub-total of the summary of the Bills of Quantities for Contingencies and Variation of Prices [V.O.P.] payments in the summary sheet and add them to the sub-total to arrive at the tender amount.
- g) The tenderer shall furnish with his tender written confirmation from his suppliers or manufacturers of unit rates for the supply of items listed in the Conditions of Contract **Clause 47** where appropriate.
- h) The rates and prices quoted by the tenderer are subject to adjustment during the performance of the Contract only in accordance with the provisions of the Conditions of Contract. The tenderer shall complete the schedule of basic rates and shall submit with his tender such other supporting information as required under **Clause 47** of the Conditions of Contract Part II.
- i) The Financial Proposal should clearly identify as a separate amount the local taxes, duties, fees, levies and other charges imposed under the law on the Contractors, the sub-Contractors and their personnel

12.0 Currencies of Tender Payment

- a) Tenders shall be priced in Kenya Shillings and/or any convertible foreign currency and the tender sum shall be in the amounts indicated both in Kenya Shillings and the foreign currency element in the tender document. It is informed to the tenders that price quoted in foreign currency will be converted to Kenya shillings at the exchange rate prevailing on the date of opening of price bid as a basis for the comparison of tenders.

- b) Tenderers are required to indicate in the Statement of Foreign Currency, which forms part of the tender, the foreign currency required by them. Such currency should generally be the currency of the country of the tenderer's main office. However, if a substantial portion of the tenderer's expenditure under the Contract is expected to be in countries other than his country of origin, then he may state a corresponding portion of the contract price in the currency of those other countries. However, the foreign currency element is to be limited to two (2) different currencies and a maximum of 30% (thirty percent) of the Contract Price.
- c) The rate or rates of exchange used for pricing the tender shall be selling rate or rates of the Central Bank ruling on the date thirty (30) days before the final date for the submission of tenders.
- d) Tenderers must enclose with their tenders, a brief justification of the foreign currency requirements stated in their tenders.

13.0 Tender Validity

- a) The tender shall remain valid and open for acceptance for a period of **one hundred and Fifty (150) days** from the specified date of tender opening or from the extended date of tender opening (in accordance with Clause 7.4 here above) whichever is the later.
- b) In exceptional circumstances prior to expiry of the original tender validity period, the Employer may request the tenderer for a specified extension of the period of validity. The request and the responses thereto shall be made in writing or by cable, telex or facsimile. A tenderer may refuse the request without forfeiting his Tender Surety. A tenderer agreeing to the request will not be required nor permitted to modify his tender but will be required to extend the validity of his Tender Surety correspondingly. The provisions regarding discharge and forfeiture of tender security respectively shall continue to apply during the extended period of tender validity.
- c) The tendered shall quote in English. The prices must be quoted both in figures and in words in the Price bid to be submitted in the form of Schedule of prices, forming part of the Tender Documents. The amount for each item shall be worked out and entered and requisite totals be given for all items. The Tender amount for the work shall be entered in the Tender and duly signed by the Tenderer. If a discrepancy is found between the

price(s) given in words and in figures or the amount shown in the tender, the following procedures shall be followed:

- i. When there is a difference between the price(s) in figures and in words, the price which would result in the total calculated by the Tenderer shall be taken as correct the amount shall be adjusted accordingly.
 - ii. When the price quoted by the Tenderer in figures and in words tallies but the total amount is incorrect, the price quoted by the Tenderer shall be taken as correct and the amount shall be adjusted accordingly.
 - iii. When it is not possible to ascertain the correct price in the manner prescribed above, the rate as quoted in words shall be adopted.
 - iv. The tender sum as submitted and read out during the tender opening shall be absolute and final and shall not be the subject of correction, adjustment or amendment in any way by any person or person or entity.
- d) The Tender shall contain the name, address and place of business of the person(s) making the Tender and shall be signed by the Tenderer with his usual signature. The signature on the Tender shall be attested by at least one witness. The name(s), occupation(s) and address(s) of the witness(s) shall be stated below his/their signatures(s).
- e) The person signing the Tender shall state his capacity as also the source of his ability to bind the Tenderer. The power of attorney or authorization or other document constituting adequate proof of the ability of the signatory to bind the Tenderer shall be annexed to the Tender. The Owner may reject outright any Tender unsupported by adequate proof of the signatory's authority.
- f) All signatures in Tender Documents shall be dated. All pages of all sections of Tender Documents shall be initialled at the lower right-hand corner or signed wherever required in the Tender Document by the Tenderer or by a person authorized to sign on behalf of a tenderer as envisaged above.
- g) Any effort by a Tenderer to influence the owner in process of examination, clarification, evaluation and comparison of tenders, and indecision concerning award of contract may result in the rejection of tender.
- h) The tenderer shall indicate the price for pull-through tool calibration tests. The tests shall be done at the tenderer's premises upon successful bidding. Failure to carry out the procedure at the tenderer's premises shall constitute a breach of contract and shall form basis for contract termination.

14.0 TENDERER'S PROCEDURES

- a) The tenderer shall submit to the owner a complete copy of their inspection procedures and specifications, appended to which shall be copies of all qualification tests.
- b) Lists of all equipment, including serial numbers (where applicable) makes and models are to be provided to owner.
- c) The Tenderer shall submit a detailed method and Gantt bar chart to explain how it intends to progress and complete all phases of the services. The statement shall include but not be limited to the following: -
 - Operational limitations;
 - Pull-Through test procedures
 - Launch and recovery of equipment;
 - Operational/maintenance time per day working period'
 - Pig tracking
 - HSE procedures
 - Emergency devices/procedures and back up support
- d) The detailed Gantt chart should show all major activities relating to the services and should include as a minimum: -
 - Mobilisation.
 - Actual survey period;
 - Supply, Configuration and installation of the Pipeline Integrity Management System
 - Report preparation and submission.

15.0 Tender Security must be valid for 180 days from the date of tender opening.

- a) The tenderer shall furnish as part of his tender, a Tender Security in the amount and form stated in the Appendix to Instructions to Tenderers.
- b) The tender security shall be USD 10,000 or equivalent in Kshs.
- c) The tender security shall be valid for at least thirty (30) days beyond the tender validity period.
 - a. The format of the Surety shall be in accordance with the sample form of Tender Surety included in these tender documents; other formats may be permitted subject to the prior approval of the Employer. The Tender Surety shall be valid for thirty (30) days beyond the tender validity period.

- d) Any tender not accompanied by an acceptable Tender Surety will be rejected by the Employer as non-responsive.
- e) The Tender Sureties of unsuccessful tenderers will be returned as promptly as possible as but not later than fourteen (14) days after concluding the Contract execution and after a Performance Security has been furnished by the successful tenderer. The Tender Surety of the successful tenderer will be returned upon the tenderer executing the Contract and furnishing the required Performance Security.
- f) The Tender Surety may be forfeited:
 - 1) If a tenderer withdraws his tender during the period of tender validity: or
 - 2) In the case of a successful tenderer, if he fails
 - i. To sign the Agreement, or
 - ii. To furnish the necessary Performance Security
 - 3) If a tenderer does not comply with the requirement of **Clause 12. (d)**.

16.0 No Alternative Offers

- 15.1 The tenderer shall submit an offer which complies fully with the requirements of the tender documents unless otherwise provided for in the appendix.

Only one tender may be submitted by each tenderer either by himself or as partner in a joint venture.

- 15.2 The tenderer shall not attach any conditions of his own to his tender. The tender price must be based on the tender documents. The tenderer is not required to present alternative construction options and he shall use without exception, the Bills of Quantities as provided, with the amendments as notified in tender notices, if any, for the calculation of his tender price.

Any tenderer who fails to comply with this Clause will be disqualified.

17.0 Pre-tender Meeting shall be held at Nairobi terminal on 26th February 2019

- 16.1 A pre-tender meeting shall be convened, and the tenderer's designated representative is invited to attend a pre-tender meeting, which will take place at Nairobi terminal training room

on_26th February 2019. The purpose of the meeting will be to clarify issues and to answer questions on any matter that may be raised at that stage and agree on how to carry out the site visit at the various stations.

16.2 The tenderer is requested as far as possible to submit any questions in writing or by cable, to reach the Employer not later than seven days before the meeting. It may not be practicable at the meeting to answer questions received late, but questions and responses will be transmitted in accordance with the following:

- (a) Minutes of the meeting, including the text of the questions raised and the responses given together with any responses prepared after the meeting will be transmitted without delay to all purchasers of the tender documents. Any modification of the tender documents listed in **Clause 9** which may become necessary as a result of the pre-tender meeting shall be made by the Employer exclusively through the issue of a tender notice pursuant to **Clause 7** and not through the minutes of the pre-tender meeting.
- (b) **Non-attendance at the pre-tender meeting or site visit will be cause for disqualification of a bidder.**

18.0 Format and Signing of Tenders

- a) The tenderer shall prepare his tender as outlined in **Clause 8** above and mark appropriately one set "ORIGINAL" and the other "COPY".
- b) The copy of the tender and Bills of Quantities shall be typed or written in indelible ink and shall be signed by a person or persons duly authorized to sign on behalf of the tenderer. All pages of the tender document and where amendments have been made shall be initialled by the person or persons signing the tender.
- c) The complete tender shall be without alterations, interlineations or erasures, except as necessary to correct errors made by the tenderer, in which case such corrections shall be initialled by the person or persons signing the tender.

19.0 SUBMISSION OF TENDERS

THIS IS A TWO ENVELOPE TENDER

Sealing and Marking of Tenders

- 19.1 The Tenderers shall prepare separately a technical and financial bid taking into consideration all the requirements specified in these tender documents. The technical bid shall not include any financial information. **INCLUSION OF PRICES IN THE TECHNICAL BID SHALL LEAD TO IMMEDIATE DISQUALIFICATION OF THE TENDERER.**

The **financial bid** shall include the following information: -

- a) The total bid price inclusive of all taxes
- b) Schedule of prices i.e. breakdown of the bid price
- c) Schedule of rates
- d) Schedule of day work rates
- e) Form of Tender duly completed and signed

Tenderers shall submit the following tender documents:-

- i. One original of the technical bid
- ii. One copy of the technical bid
- iii. One original of the financial bid
- iv. One copy of the financial bid

The Bid Bond itself shall go with the Technical Bid.

Each technical bid and financial bid shall be marked **“ORIGINAL”** or **“COPY”** as appropriate. If there are any discrepancy between the original and copy of the bid the original shall govern.

- 19.2 The tenderer shall seal the original and copy of the tender in separated, duly marking the envelopes as **“ORIGINAL”** and **“COPY”**. The envelopes shall then be sealed in an outer envelope. Tenders shall submitted in two parts namely the **“TECHNICAL BID”** and **“THE FINANCIAL BID”**. An original and copy of each bid shall be submitted and clearly marked **“ORIGINAL”** and **“COPY”**
- 19.3 The original and copy of the Technical Bid shall be placed in the first single sealed envelope clearly marked **“TECHNICAL BID”** and the original and copy of the Financial Bid in a the second single sealed envelope clearly marked **“FINANCIAL BID”** and warning: **“DO NOT OPEN WITH THE TECHNICAL BID.”** The first envelope shall be clearly marked with the words “ Tender number KPC/PU/012-OT/18-19 for **TENDER FOR IN-LINE INSPECTION OF 14-INCH NAIROBI-ELDORET (LINE -4) AND 10-INCH SINENDET-KISUMU (LINE -6) MULTI-PRODUCT PIPELINES-** **“TECHNICAL BID”**. The second envelope shall be

clearly marked with the words “ Tender number KPC/PU/012-OT/18-19 **TENDER FOR IN-LINE INSPECTION OF 14-INCH NAIROBI-ELDORET (LINE -4) AND 10-INCH SINENDET-KISUMU (LINE -6) MULTI-PRODUCT PIPELINES-** ‘FINANCIAL BID’. Both, envelopes, after sealing shall be marked CONFIDENTIAL and placed inside a cloth lined outer envelope. The outer envelope shall be superscripted; “to be opened by the addressee only”, with the tender number and tender closing date clearly indicated on this envelope. This outer envelope shall bear the submission address and other information indicated in the data sheet and shall be clearly marked, **“DO NOT OPEN, EXCEPT IN THE PRESENCE OF THE OPENING COMMITTEE.”**

Note: The mandatory documents as outlined in the Invitation to Tender shall be submitted in an envelope marked MANDATORY REQUIREMENTS with the Technical Proposal. All documents to be neatly bound and KPC will take no responsibility for loose papers.

- 19.4 The inner and outer envelopes shall be addressed to the Employer at the address stated in the Appendix to Instructions to Tenderers and bear the name and identification of the Tender stated in the said Appendix with a warning **not to open before 10:00AM 19th March 2019** for opening of tenders stated in the said Appendix.
- 19.5 The inner envelopes shall each indicated the name and address of the tenderer to enable the tender to be returned unopened in case it is declared “late”, while the outer envelope shall bear no mark indicating the identity of the tenderer.
- 19.6 If the outer envelope is not sealed and marked as instructed above, the Employer will assume no responsibility for the misplacement or premature opening of the tender. A tender opened prematurely for this cause will be rejected by the Employer and returned to the tenderer.

20.0 Deadline for Submission of Tenders

- 20.1 Tenders must be received by the Employer at the address specified in **Clause 1.6** and on the date and time specified in the Letter of Invitation, subject to the provisions of **Clause 7.4, 19.2** and **19.3**.

Tenders delivered by hand must be placed in the “tender box” provided in the office of the Employer.

Proof of posting will not be accepted as proof of delivery and any tender delivered after the above stipulated time, from whatever cause arising will not be considered.

20.2 The Employer may, at his discretion, extend the deadline for the submission of tenders through the issue of an Addendum in accordance with **Clause 7**, in which case all rights and obligations of the Employer and the tenderers previously subject to the original deadline shall thereafter be subject to the new deadline as extended.

20.3 Any tender received by the Employer after the prescribed deadline for submission of tender will be returned unopened to the tenderer.

20.4 All tenders shall be prepared by typing or printing with indelible black ink in the Tender Form. One original and two copies of the original tender form shall be submitted by the Tenderer. One set of Tender Form is enclosed with the Tender Document. Copies shall be arranged by the Tenderers.

Tender shall be filled in all respects with requisite information and annexure. Incomplete tenders shall be liable to be rejected.

20.5 If the space in the Tender or any schedule or annexure thereto is insufficient, pages shall be separately added. These shall be consecutively page-numbered and shall also carry the tender document number, shall be signed by the Tenderer and entered in the index for the Tender.

Tenders submitted by Telex/Fax/Telegram/E-mail etc. will not be accepted.

20.6 If the envelopes are not sealed and marked as instructed above, the owner will assume no responsibility for the misplacement, premature or late handling. In such a case, it will be rejected by the owner and returned to the Tenderer.

20.7 The Owner may, at his discretion, extend the deadline for submission of tenders by issuing an addendum, in which case all rights and obligations of the owner and the Tenders shall thereafter be extended.

20.8 The Technical bid shall be opened on the date and at the time specified in the Invitation to Tender or any date thereafter convenient to the Owner, in presence of the Tenderer’s

accredited representative. The price bid of the qualifying tenderers would be opened later which would be intimated to the qualifying tenderer.

20.9 Tenderers shall send their quotations in firm figures in the tender without qualification or variation or addition in the terms of the Tender Documents. Tenders containing qualifying expressions or incorporating terms and conditions at variance with the terms and conditions incorporated in the Tender Document shall be liable to be rejected.

- 20.10 The Tenders (Technical) submitted shall consist of the following:
- a) One complete set of Tender Document duly filled in, signed and stamped by the Tenderers as prescribed in the Tender Document.
 - b) Bid bond amounting to and in the manner specified elsewhere in the tender
 - c) Form of Tender duly filled in Tenderer's headed paper.
 - d) Power of Attorney or other proof of authority of the person who has signed the tender.
 - e) Information regarding tenders in the form annexed to the form of tender
 - f) Detailed Time schedule indicating various activities the Tenderer proposes to complete within the time for completion of work.
 - g) Tenderer's procedures as sought in clause 13.0 of instruction of Tenderers.
 - h) Certificate of incorporation
 - i) Proof of Tax Compliance for local bidders
 - j) Annual audited accounts for the last three years
 - k) Organogram
 - l) Evidence of performance of similar works

The owner reserves the right to accept or reject the Tender without assigning any reason whatsoever. However, the owner does not bind itself to accept the lowest tender and reserves to itself the authority to reject, accept any or all the Tenders received without assigning any reason whatsoever.

21.0 Modification and Withdrawal of Tenders

21.1 The tenderer may modify or withdraw his tender after tender submission, provided that written notice of the modification or withdrawal is received by the Employer prior to the prescribed deadline for submission of tenders.

- 21.2 The tenderer's modification or withdrawal notice shall be prepared, sealed, marked and dispatched in accordance with the provisions for the submission of tenders, with the inner and outer envelopes additionally marked "MODIFICATION" or "WITHDRAWAL" as appropriate.
- 21.3 No tender may be modified subsequent to the deadline for submission of tenders.
- 21.4 No tender may be withdrawn in the interval between the deadline for submission of tenders and the period of tender validity specified on the tender form. Withdrawal of a tender during this interval will result in the forfeiture of the Tender Surety.
- 21.5 Subsequent to the expiration of the period of tender validity prescribed by the Employer, and the tenderer having not been notified by the Employer of the award of the Contract or the tenderer does not intend to conform with the request of the Employer to extend the period of tender validity, the tenderer may withdraw his tender without risk of forfeiture of the Tender Surety.

22.0 TENDER OPENING AND EVALUATION

Tender Opening

- a) 21.1 The Employer will open the tenders in the presence of the tenderers' representatives who choose to attend at the time and location indicated in the Letter of Invitation to Tender. The tenderers' representatives who are present shall sign a register evidencing their attendance.
- b) 21.2 Tenders for which an acceptable notice of withdrawal has been submitted, pursuant to **Clause 20**, will not be opened. The Employer will examine the tenders to determine whether they are complete, whether the requisite Tender Sureties have been furnished, whether the documents have been properly signed and whether the tenders are generally in order.
- c) 21.3 At the tender opening, the Employer will announce the tenderer's names, (total tender price during the financial opening, tender price modifications) and tender withdrawals, if any, the presence of the requisite Tender Surety and such other details as the Employer, at his discretion, may consider appropriate. No tender shall be rejected at the tender opening except for late tenders.
- d) 21.4 The Employer shall prepare a tender opening register and minutes of the tender opening including the information disclosed to those present.

- e) 21.5 Tenders not opened and read out at the tender opening shall not be considered further for evaluation, irrespective of the circumstances.

23.0 Process to be Confidential

- a) 22.1 After the public opening of tenders, information relating to the examination, clarification, evaluation and comparisons of tenders and recommendations concerning the award of Contract shall not be disclosed to tenderers or other persons not officially concerned with such process until the award of Contract is announced.
- b) 22.2 Any effort by a tenderer to influence the Employer in the process of examination, evaluation and comparison of tenders and decisions concerning award of Contract may result in the rejection of the tenderer's tender.

24.0 Clarification of Tenders

- a) To assist in the examination, evaluation and comparison of tenders, the Employer may ask tenderers individually for clarification of their tenders, including breakdown of unit prices. The request for clarification and the response shall be in writing or by cable, facsimile or telex, but no change in the price or substance of the tender shall be sought, offered or permitted in accordance with **Clause 24**.
- b) No Tenderer shall contact the Employer on any matter relating to his tender from the time of the tender opening to the time the Contract is awarded. If the tenderer wishes to bring additional information to the notice of the Employer, he shall do so in writing.

25.0 Determination of Responsiveness

- a) Prior to the detailed evaluation of tenders, the Employer will determine whether each tender is substantially responsive to the requirements of the tender documents.
- b) The Procuring entity will examine the tenders to determine whether they are complete, whether any computational errors have been made, whether required securities have been furnished, whether the documents have been properly signed, and whether the tenders are generally in order.
- c) The Procuring entity may waive minor informality or nonconformity or irregularity in a tender which does not

constitute a material deviation provided such waiver does not prejudice or affect the relative ranking of any tender.

- d) Prior to the detailed evaluation, pursuant to Clause 31.0, the Procuring entity will determine the substantial responsiveness of each tenderer's submission to the tender document requirements. For the purposes of these paragraphs, a substantially responsive tender is one which conforms to all the terms and conditions of the tender document without material deviations. The Procuring entity's determination of a tender's responsiveness is to be based on the contents.
- e) For the purpose of this Clause, a substantially responsive tender is one which conforms to all the terms, conditions and specifications of the tender documents without material deviation or reservation. A material deviation or reservation is one which affects in any substantial way the scope, quality, completion timing or administration of the Works to be undertaken by the tenderer under the Contract, or which limits in any substantial way, inconsistent with the tender documents, the Employer's rights or the tenderers obligations under the Contract and the rectification of which would affect unfairly the competitive position of other tenderers who have presented substantially responsive tenders.
- f) Each price or unit rate inserted in the Bills of Quantities shall be a realistic estimate of the cost of completing the works described under the particular item including allowance for overheads, profits and the like. Should a tender be seriously unbalanced in relation to the Employer's estimate of the works to be performed under any item or groups of items, the tender shall be deemed not responsive.
- g) A tender determined to be not substantially responsive will be rejected by the Employer and may not subsequently be made responsive by the tenderer by correction of the non-conforming deviation or reservation.

26.0 **Correction of Errors**

- a) Tenders determined to be substantially responsive shall be checked by the Employer for any arithmetic errors in the computations and summations. Errors will be corrected by the Employer as follows:
 - i. Where there is a discrepancy between the amount in figures and the amount in words, the amount in words will govern.
 - ii. Where there is a discrepancy between the unit rate and the line item total resulting from multiplying the unit rate by the

quantity, the unit rate as quoted will prevail, unless in the opinion of the Employer, there is an obvious typographical error, in which case adjustment will be made to the entry containing that error.

- iii. The tender sum as submitted and read out during the tender opening shall be absolute and final and shall not be the subject of correction, adjustment or amendment in any way by any person or person or entity.

27.0 Conversion to Single Currency

- a) For comparison of tenders, the tender price shall first be broken down into the respective amounts payable in various currencies by using the selling rate or rates of the Central Bank of Kenya ruling on the day of tender closing.

28.0 AWARD OF CONTRACT

Award Criteria

- a) Subject to Clause 32, the Procuring entity will award the Contract to the Tenderer whose tender is determined to be substantially responsive to the tender documents and who has offered the lowest evaluated tender price subject to possessing the capability and resources to effectively carry out the Contract Works.
- b) The Procuring entity will verify and determine to its satisfaction whether the tenderer that is selected as having submitted the lowest evaluated responsive tender is qualified to perform the contract satisfactorily.
- c) The determination will take into account the tenderer's financial and technical capacities. It will be based upon an examination of the documentary evidence of the tenderer's qualifications submitted by the tenderer, as well as such information as the procuring entity deems necessary and appropriate.
- d) An affirmative determination will be a requisite for award of the contract to the tenderer. A negative determination will result in rejection of the tenderer's tender, in which event the Procuring entity will proceed to the next lowest evaluated tender to make a similar determination of that tenderer's capacities to perform satisfactorily.
- e) The Procuring entity reserves the right to accept or reject any tender, and to annul the tendering process and reject all tenders,

at any time prior to Contract signing, without thereby incurring any liability to the affected Tenderers or any obligation to inform the affected Tenderers of the grounds for the Procuring entity's.

29.0 Notification of Award and Signing of Contract

- a) Prior to the expiration of the period of tender validity prescribed by the Employer, the Employer will notify the successful tenderer by cable, telefax or telex and confirmed in writing by registered letter that his tender has been accepted. This letter (hereinafter and in all Contract documents called "Letter of Acceptance") shall name the sum (hereinafter and in all Contract documents called "the Contract Price") which the Employer will pay to the Contractor in consideration of the execution and completion of the Works as prescribed by the Contract.
- b) At the same time the employer notifies the successful tenderer that his tender has been accepted, the employer shall notify the other tenderers that their tenders have been unsuccessful.
- c) Within thirty [30] days of receipt of the form of Contract Agreement from the Employer but not until 14 days have elapsed from the date of notification of contract award, the successful tenderer shall sign the Contract and return it to the Employer.
- d) A tenderer who gives false information in the tender document about his qualification or who refuses to enter into a contract after notification of contract award shall be considered for debarment from participating in future public procurement.

30.0 Performance Guarantee

- a) Within twenty eight [28] days of receipt of the notification of award from the Employer, the successful tenderer shall furnish the Employer with a Performance Security in an amount stated in the Appendix to Instructions to tenderers, 10% of the contract price.
- b) The Performance Security to be provided by the successful tenderer shall be an unconditional Bank Guarantee issued at the tenderer's option by an established and a reputable Bank approved by the Employer and located in the Republic of Kenya and shall be divided into two elements namely, a performance security payable in foreign currencies (based upon the exchange rates determined in accordance with Clause 10.1 of the Conditions of Contract) and a performance security payable in Kenya Shillings. The value of the two securities shall be in the

same proportions of foreign and local currencies as requested in the form of foreign currency requirements.

- c) Failure of the successful tenderer to lodge the required Performance Security shall constitute a breach of Contract and sufficient grounds for the annulment of the award and forfeiture of the Tender Security and any other remedy under the Contract the Employer may award the Contract to the next ranked tenderer.

31.0 Payments

31.1 There shall be no advanced payment in this contract.

31.2 The terms of payment for the contract shall be agreed during kick off meeting with the winning bidder.

32.0 Corrupt and Fraudulent Practices

32.1 The procuring entity requires that tenderers observe the highest standard of ethics during the procurement process and execution of contract. A tenderer shall sign a declaration that he is not debarred from public procurement under part IX of the Public Procurement and Disposal Act 2005, and Section 62 of the Public Procurement And Asset Disposal Act 2015, and that he will not be involved in corrupt or fraudulent practices in competing for and executing the contract.

33.0 Evaluation and Comparison of Tenders

- a) The Procuring entity will evaluate only tenders determined to be substantially responsive to the requirements of the tender documents in accordance with Clause 24.
- b) In evaluating tenders, the Procuring entity will determine for each tender the evaluated tender price by adjusting the tender price as follows:-
 - i. Making any correction for errors pursuant to Clause 25.
 - ii. Excluding Provisional Sums and provision, if any, for Contingencies in the Bills of Quantities, but including Day works where priced competitively.
- c) The Procuring entity reserves the right to accept any variation, deviation or alternative offer. Variations, deviations, alternative offers and other factors which are in excess of the requirements of the tender documents or otherwise result in the accrual of unsolicited benefits to the Procuring entity, shall not be taken into account in tender evaluation.

- d) Price adjustment provisions in the Conditions of Contract applied over the period of execution of the Contract shall not be taken into account in tender evaluation.
- e) If the lowest evaluated tender is seriously unbalanced or front loaded in relation to the Procuring entity's estimate of the items of work to be performed under the Contract, the Procuring entity may require the Tenderer to produce detailed price analyses for any or all items of the Bills of Quantities, to demonstrate the relationship between those prices, proposed construction methods and schedules. After evaluation of the price analyses, the Procuring entity may require that the amount of the Performance Security set forth in Clause 29 be increased at the expense of the successful Tenderer to a level sufficient to protect the Procuring entity against financial loss in the event of subsequent default of the successful Tenderer under the Contract.
- f) The tender evaluation committee shall evaluate the tender within 30 days of the validity period from the date of opening the tender.
- g) Persons not officially involved in the evaluation of tender shall not attempt in any way to influence the evaluation.

34.0 Evaluation Criteria

34.1 In addition to Clause 33.0 above, The Technical Evaluation Criteria shall be based on the following: -

1.0	EXPERIENCE IN SIMILAR WORKS	MAX. 40 POINTS
A	USING MAGNETIC FLUX LEAKAGE (MFL)	10 POINTS
	Submission of evidence of having carried out the following: <ul style="list-style-type: none"> i. In-inline inspection in the oil and gas industry in the use of Magnetic Flux Leakage (MFL) tools of 20years and above – 10points ii. In-inline inspection in the oil and gas industry in the use of Magnetic Flux Leakage (MFL) tools of between 10 and 14years – 5points iii. In-inline inspection in the oil and gas industry in the use of Magnetic Flux Leakage (MFL) tools of between 6 and 8years – 3points iv. In-inline inspection in the oil and gas industry in the use of Magnetic Flux Leakage (MFL) tools of between 1year and 5 years – 1points v. Less than 1year experience –0 point 	

	<i>Reference letters from previous clients shall be submitted as evidence. KPC reserves the right to verify the authenticity of the letters</i>	
B	USING ULTRASONIC THICKNESS (UT) CRACK DETECTION	10 POINTS
	<p>Submission of evidence of having carried out the following:</p> <ul style="list-style-type: none"> i. In-inline inspection in the oil and gas industry in the use of Ultrasonic (UT) Crack Detection tools of 5years and above – 10points ii. In-inline inspection in the oil and gas industry in the use of Ultrasonic (UT) Crack Detection tools of between 3 and 4years – 5points iii. In-inline inspection in the oil and gas industry in the use of Ultrasonic (UT) Crack Detection tools of between 2 and 3years – 2points iv. In-inline inspection in the oil and gas industry in the use of Ultrasonic (UT) Crack Detection tools of below 2 years – 0points <p><i>Reference letters from previous clients shall be submitted as evidence. KPC reserves the right to verify the authenticity of the letters</i></p>	
	USING PIPELINE GRADE DETERMINATION (PGD)	10 POINTS
	<p>Submission of evidence of having carried out the following:</p> <ul style="list-style-type: none"> i. In-inline inspection in the oil and gas industry in the use of Pipeline Grade Determination (PGD) tools of 5years and above – 10points ii. In-inline inspection in the oil and gas industry in the use of Pipeline Grade Determination (PGD) tools of between 2 and 4years – 5points iii. In-inline inspection in the oil and gas industry in the use of Pipeline Grade Determination (PGD) tools below 1 year – 0points <p><i>Reference letters from previous clients shall be submitted as evidence. KPC reserves the right to verify the authenticity of the letters</i></p>	
	PIPELINE INTEGRITY MANAGEMENT SYSTEM (PIMS)	10 POINTS
	<p>In addition to providing the specification and scope of work for supply of the PIMS, the tenderer shall submit of evidence of having in-house developed software, the bidder shall need to have carried out similar works as follows:</p> <ul style="list-style-type: none"> i. Supply, Installation, Testing, Training and Commissioning of the PIMS for 10 clients and above – 10points 	

	<p>ii. Supply, Installation, Testing, Training and Commissioning of the PIMS for 5-9 clients and above – 5points</p> <p>iii. Supply, Installation, Testing, Training and Commissioning of the PIMS below 5 clients– 0points</p> <p>Reference letters from previous clients shall be submitted as evidence. KPC reserves the right to verify the authenticity of the letters</p>	
2.0	TECHNICAL PROPOSAL FOR CARRYING OUT IN-LINE INSPECTION	MAX.30 POINTS
	Submit a complete works methodology relevant to the works in-hand (5 points, Otherwise 0)	
	Submit the type, sequence and the procedure for cleaning pigs and tracking- (5 points, otherwise 0)	
	Submit the type, sequence and procedure for running the instrument pigs and tracking. This should be accompanied with simple calculations determining time durations to run the pigs in each section and battery-life therein – (4 points, Otherwise 0)	
	Submit sample reporting templates for preliminary and final reports – (2 points, otherwise 0)	
	Submit specifications for the geometry inspection pig – (2 points, Otherwise 0)	
	Submit specifications for the MFL inspection pig – (3 points, Otherwise 0)	
	Submit specifications for the UT inspection pig – (3 points, Otherwise 0)	
	Submit specifications for the PGD inspection pig – (4 points, Otherwise 0)	
	Submit a sample joint dig verification procedure on how to confirm the same from a presented report – (2 points, otherwise 0)	
3.0	PROGRAMS OF WORKS	MAX. 10
	A contractor that has demonstrated the ability to complete the works within 3 months - 10 points	
	A contractor that has demonstrated the ability to complete the works for more than 3 months, but not beyond 4 months – 5points	
	A contractor that has not provided any program of works or a Programme beyond 4months period– 0 points	
4.0	KEY PERSONNEL AND THEIR QUALIFICATIONS	MAX.10 POINTS
i	Project Manager (on the site) (attach signed curriculum vitae and relevant certificates)	Max. 5

	A contractor that presents a Project Manager who has relevant technical knowledge, managerial skills in project management and suitable qualifications in any discipline in Engineering, with a minimum of 10 years' work experience gets – 5points	
	A contractor that presents a Project Manager who has relevant Technical knowledge, managerial skills in project management and suitable qualifications in any discipline in Engineering, with a minimum of 5-10 years' work experience gets – 2.5 points	
	A contractor that presents a Project Manager who has relevant Technical knowledge, managerial skills in project management and suitable qualifications in any discipline in Engineering, below 5 years' work experience gets – 1 point	
	A contractor that does not present a Project Manager meeting any of the above criteria – 0 points	
ii	Pipeline Defect Assessment/Analysis Expert (attach signed curriculum vitae and relevant certificates)	Max. 5
	A contractor that presents a suitably qualified expert possessing ANSI/ANST-ILI-PQ-2005 or later qualifications with more than 15 years' work experience gets – 5points	
	A contractor that presents a suitably qualified expert possessing ANSI/ANST-ILI-PQ-2005 or later qualifications with 10-15 years' work experience gets – 3.5points	
	A contractor that presents a suitably qualified expert possessing ANSI/ANST-ILI-PQ-2005 or later qualifications with less than 10 years' work experience gets – 2 points	
	A presented Pipeline Defect Assessment Expert possessing ANSI/ANST-ILI-PQ-2005 or later qualifications – 1 points	
	A contractor that does not present a Pipeline Defect Assessment Expert meeting (a), (b) or (c) above criteria – 0 points	
5.0	FINANCIAL CAPABILITY	Max.10 points
	A contractor who submits certified copies of audited accounts with an annual turnover of USD 50Million or above gets – 10 points	
	A contractor who submits certified copies of audited accounts with an annual turnover of USD 30-49 Million gets – 6 points	

	A contractor who submits certified copies of audited accounts with an annual turnover of below USD 30 Million gets – 0 points	
	TOTAL	100

Only those Tenderers who fulfil all the mandatory requirements and attain the minimum pass mark of 70 points on the technical evaluation criteria and meet at least 50% score in each criterion shall have their financial submissions opened and evaluated.

- 32.3 The procuring entity may, prior to the award of the tender, confirm the qualifications of the tenderer who submitted the lowest evaluated responsive tender in order to determine whether the tenderer is qualified to be awarded the contract.

Note 4:

The lowest evaluated bidder will be awarded the contract.

Note:

- i. The tenderer shall ensure that his submitted bid is clearly labelled/marked and arranged in such a manner that the requisite information contained in these evaluation criteria shall be easily identifiable and retrievable during evaluation of his bid.
- ii. Any additional information submitted by the bidder shall be strictly gauged against the provisions of the tender document
- iii. Any clerical errors in this document are subject to correction however arithmetic errors shall not be corrected

Schedule A: Details of Firm's Experience

(Contractor to provide the experience in similar works as per the template below).

- a) Year
- b) Name of the Contract
- c) Client Name
- d) Client Address/ contacts
- e) Length & Diameter of the Pipeline
- f) Inspection technology adopted

NB: the experience should be in chronological order starting with the latest/ ongoing and proof of completion e.g. completion certificate or letters of recommendation where necessary.

Schedule B: Details of Proposed Staff

1) Summary

Qualifications and experience of key personnel proposed for administration and execution of the Contract. Use the format below.

Position in Current Firm	
Name of Staff Proposed in the project	
ANSI/ANST-ILI-PQ-2005 Qualifications	
Years of experience (General)	
Years of Experience in the Proposed Position	

2) CV Format

Proposed Position: CV No.

Name of Firm:

Name of Staff:

Profession:

Date of Birth:

Years with Firm:

Nationality:

Membership in professional societies:

Registration with licensing bodies to practice:
Detailed Tasks Assigned:

Key Qualifications:

[Give an outline of staff member's experience and training most pertinent to tasks on assignment. Describe degree or responsibility held by staff member on relevant previous assignments and give dates and locations. Indicate the total number of years worked on similar assignment.]

Education:

[Summarize college/university and other specialized education of staff member, giving names of schools, dates attended and degree(s) obtained.]

Employment Record and Experience Relevant to the Assignment:

[Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organizations, titles of positions held, locations of assignments and details of the activities performed to illustrate the staff capability to handle the tasks assigned.]

Languages [For each language indicate proficiency: good, fair, or poor in listening, speaking, reading, and writing.]:

Certification:

I, the undersigned, certify that these data correctly describe me, my qualifications, and my experience.

Date:

[Signature of staff member]

Date:

[Signature of authorized representative of the firm]

Full name of staff member:

Full name of authorized representative

NB: CV's not on the bidding firms letter head and not signed by a senior officer (CEO/MD) will not be considered. Attach copies of academic and professional certificates. CVs should also be

signed by the staff to authenticate them if not then the particular CV will not be considered.

Schedule C – Schedule of Tools/Equipment

(Contractor to Provide details)

Schedule D

FORM OF PERFORMANCE GUARANTEE

PERFORMANCE BANK GUARANTEE

_____ (Date)

To:

Kenya Pipeline Company Ltd
Kenpipe Plaza, Sekondi Rd, Off Nanyuki Rd,
Industrial Area, P. O. Box 73342-00200
Nairobi, Kenya

Dear Sir,

WHEREAS _____ (hereinafter called “the Contractor”) has undertaken, in pursuance of Contract No. _____ dated _____ to execute the **Inline Inspection of 14-Inch Mombasa - Nairobi Multi-Product Pipelines;**

AND WHEREAS it has been stipulated by you in the said Contract that the Contractor shall furnish you with a Bank Guarantee by a recognised bank for the sum specified therein as Security for compliance with his obligations in accordance with the Contract;

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee:

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Contractor, up to a total of Kshs. _____ (amount of Guarantee in figures) Kenya Shillings _____ (amount of Guarantee in words), of (specify foreign currency). _____ (amount in figures of Guarantee in foreign currency) _____ (amount of foreign currency Guarantee in words), and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of Kenya Shillings _____ (amount of Guarantee in words) and _____ (specify foreign currency) _____ (amount of Guarantee in words) as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand.

We further agree that no change, addition or other modification of the terms of the Contract or of the Works to be performed thereunder or of any of the Contract documents which may be made between you and the Contractor shall in any way release us from any liability under this Guarantee, and we hereby waive notice of any change, addition, or modification.

This guarantee shall be valid until the date of issue of the Certificate of Completion.

SIGNATURE AND SEAL OF THE GUARANTOR _____

Name of Bank _____

Address _____

Date _____

(Amend accordingly if provided by Insurance Company)

SECTION III: CONDITIONS OF CONTRACT

Conditions of Contract

**TENDER FOR IN-LINE INSPECTION OF 14-
INCH NAIROBI-ELDORET(LINE -4) AND 10-INCH
SINENDET-KISUMU (LINE -6) MULTI-PRODUCT
PIPELINES**



Contents

1.0 Conditions of Contract

1.1 General Conditions

1.2 Conditions of Particular Application

1.0 Conditions of Contract

1.1 GENERAL CONDITIONS

The Conditions of Contract, Part 1 – General Conditions, shall be the “Conditions of Contract for Works of Civil Engineering Construction” Fourth Edition, 1987, as reprinted in 1992 with further amendments, and published by the Federation Internationale des Ingenieurs – Conseils (FIDIC), except where amended by the Conditions of Particular Application, (Part II), given in 1.2 below.

Part 1, General Conditions, and Part II, Conditions of Particular Application, together comprise the contractual terms governing the rights and obligations of the parties.

Copies of the FIDIC Conditions of Contract can be obtained from:

FIDIC Secretariat
P.O. Box 86
1000 Lausanne 12
Switzerland
Fax: 41 21 653 5432
Telephone: 41 21 653 5003

1.2 CONDITIONS OF PARTICULAR APPLICATION

The following conditions of Particular Application form Part II of the “Conditions of Contract for Works of Civil Engineering Construction”, fourth Edition.

Clause 1 – Definitions

i. The Procuring entity

The Procuring entity is:-

**The Managing Director,
Kenya Pipeline Company Ltd,
Kenpipe Plaza,
Sekondi Rd, Off Nanyuki Rd, Industrial Area
P. O. Box 73442 - 00200,
Nairobi, Kenya.**

ii. Contractor

Delete definition of Contractor and insert: -
The contractor is:

Whose tender has been accepted by the Procuring entity and the legal successors in title of such Contractor but not (except with the consent of the Procuring entity) any assignee of such contractor

iii. **The Engineer**

The Engineer is:

The Engineering Manager

**Kenya Pipeline Company Ltd,
Kenpipe Plaza,
Sekondi Rd, Off Nanyuki Rd, Industrial Area
P. O. Box 73442- 00200,
Nairobi, Kenya.**

or any other competent person appointed by the Procuring entity and notified to the Contractor; to act in replacement of the Engineer.

iv. **Contract**

Delete Sub – Clause 1.1 (b) (i) and substitute:

“Contract” means the following documents: -

- (1) The Contract Agreement;
- (2) The letter of acceptance;
- (3) The Form of Tender;
- (4) Performance Guarantee by Bank
- (5) The Conditions of Contract Part I;
- (6) The Conditions of Contract Part II;
- (7) Contractor’s General Obligations;
- (8) Scope of works;
- (9) Clarifications and rectifications accepted by the Procuring entity;
- (10) The Contractor’s Drawings;
- (11) The Schedule of Prices;
- (12) Schedules, annexes and other documents forming part of the Contract.

v. **Price Breakdown**

Delete Sub – Clause 1.1 paragraph (b) (iv) Bill of Quantities and Substitute:-

“Schedule of Prices” means the priced and completed breakdown of the Fixed Lump Sum Contract Price forming part of the Tender.

vi. **Tender**

Amend sub para. (b) (v) of Sub Clause 1.1 by adding the following words at the end:-

“The word “tender” is synonymous with “bid”, and the words “Appendix to Tender” with “Appendix to “Bid”, and the words “tender documents “with “bidding documents”.

vii. **Commencement Date**

Delete entire Clause and Insert:

“Commencement Date” means the effective date of the Contract, which shall be the latest date on which all of the following conditions have been fulfilled:-

- a) The Procuring entity and the Contractor have duly executed the Agreement, and the Agreement has been approved by the relevant authorities.
- b) Receipt of notice to commence pursuant to Clause 41.1.

viii. **Contract Price**

Add final sentence as follows:-

Contract Price shall mean Fixed Lump Sum Contract Price, as stated in the **LETTER OF AWARD**.

ix. **Works**

Delete Sub Clause 1.1. Paragraph (f) (i) and substitute.

“Works” means the work to be carried out by the contractor in relation to the inline inspection of the Nairobi-Eldoret and Sinendet-Kisumu Pipeline in accordance with the contract.

x. **Site**

Delete Sub Clause 1.1. Paragraph (f) (vii) and substitute.

“Site” means the right-of-way and places provided by the Procuring entity where the Works are to be executed and any other places as may be specifically designated in the Contract as forming part of the site.

xi. Right of Way

Add Clause (f) (viii).

“Right - of - Way” means the way leave acquired by the Procuring entity for the execution of the works.

xii. Pipeline

Add clause (f) (ix).

“Pipeline” shall mean Nairobi-Eldoret 14-inch diameter Pipeline and 10-inch Sinendet-Kisumu pipeline.

xiii. Profile Vehicle

Add Clause (f) (x)

“Profile Vehicle” means the multiple module profile vehicle of the Contractor for checking the bore and bend configurations of the pipeline.

xiv. Inspection Vehicle

Add Clause (f) (xiii)

Inspection Vehicle” shall mean the contractor’s inspection vehicle for running within the pipeline and which complies with the inspection performance specification.

Clause 2.1 Engineer’s Duties and Authority

With reference to Sub-clause 2.1 (b) the following provisions shall also apply:-

The Engineer shall obtain the specific approval of the Procuring entity before taking any of the following actions specified in Part 1:-

- a) Consenting to the subcontracting of any part of the works under Clause 4.1;
- b) Certifying additional cost determined under clause 12.1 and/or 12.2;
- c) Determining an extension of time under Clause 44.1, 44.2 and/or 44.3
- d) Issuing a variation under clause 51.1, except:

- i. In an emergency as reasonably determined by the Engineer; or
 - ii. If such variation would increase the Fixed Lump Sum Contract Price by less than the amount specified in the Form of tender by Tenderer.
- e) Fixing rates or prices under Clause 52.1, 52.2 and 52.3.

The Procuring entity shall advise the Engineer of his decision in these matters within 14 days of notification.

Clause 5.1 - Language/s and Law

- (a) The Language of the Contract is ENGLISH.

All correspondence between parties to the contract shall be in ENGLISH.

The Contract shall be construed and interpreted according to the English Language.

- (b) The applicable law shall be the KENYAN law at the time of Tender.

Clause 5.2 Priority of Contract Documents: -

Delete Clause 5.2 and substitute: -

The several documents forming the contract are to be taken as mutually explanatory of one another, but the discrepancies, if any, in the documents and/or ambiguities between the several documents forming the contract shall be treated in accordance with the priority order shown below. If, in the opinion of the Engineer, such ambiguities or discrepancies make it necessary to issue any instruction to the Contractor in explanation or adjustment, the Engineer shall have authority to issue such instruction. If such instruction issued by the Engineer constitutes an addition or deletion to the Scope of Work as defined herein, the Fixed Lump Sum Contract Price shall be increased or decreased accordingly.

1. Agreement
2. Schedule of Agreement
3. Schedule of Prices
4. Programme
5. Performance Guarantee

6. Conditions of Contract and Contactor's General Obligations.
7. Scope of Works
8. Other documents as appended to the Agreement.

Clause 6.1 - Custody and Supply of Drawings and Documents

Delete para. "The contractor shall supply to the Engineer four copies of all Drawings, specifications....."

Clause 6.3 - Disruption of Progress

Delete".....any further drawing or....."

Clause 6.4 - Delay and Cost of Delay of Drawings

Delete".....any drawing or....."

Clause 6.5 - Failure by contractor to submit Drawings

Delete this clause.

Clause 7.2 - Permanent works designed by Contractor

Delete this clause.

Clause 8.1 - Contractor's General Responsibilities

Delete Clause 8.1 and substitute:-

The Contractor shall, with due care and diligence execute and complete the Works and remedy any defects therein in accordance with the provisions of the Contract. The Contractor shall provide all superintendence, labour, materials, Contractor's equipment and all other things, whether of a temporary or permanent nature, required in and for execution, completion and remedying of all defects so far as the necessity for providing the same as specified in or is reasonably to be inferred from the contract.

Clause 8.2 - Site Operations and Methods of Construction

Delete "Site Operations and Method Construction" and substitute "Site Operations and Method of Work."

Delete Clause 8.2 and substitute:-

The contractor shall take full responsibility for the adequacy, stability and safety of all site Operations and method of work.

Clause 9.1 - Contract Agreement

Delete “Contract Agreement” and Substitute “Agreement”.

Delete Clause 9.1 and substitute:-

The Contractor shall, if called upon so to do, enter into and execute the Agreement, to be prepared and completed at the cost of the Procuring entity, in the form presented in document Form of Tender, Agreement and Performance Guarantee.

Clause 10.1 - Performance Security

Delete Clause 10.1 and substitute: -

The Contractor shall provide security for his proper performance of the Contract to the Procuring entity on or before the commencement date of the Contract. The Performance security shall be in the form of a Performance Guarantee, as stipulated by the Procuring entity in the Contract Specification. The performance security shall be denominated in the types and proportions of currencies in which the Fixed Lump Sum Contract price is payable. The Contractor shall notify the Engineer when providing the performance security to the Procuring entity.

The Performance Guarantee shall be issued either

- (a) By a bank located in the country of the Procuring entity or a foreign bank through a correspondent bank located in the country of the Procuring entity.

Without prejudice to the provisions of the preceding paragraph, whenever the Engineer determines an addition to the Fixed Lump Sum Contract Price as a result of a variation payable in a specific currency, the contractor, at the engineer’s written request, shall promptly increase the value of the performance guarantee in the currency by an equal percentage.

The Contractor shall obtain a Performance Security of an amount 10% of Lump Sum Contract price

The performance Guarantee of a joint venture shall be in the name of the joint venture. The cost of complying with the requirements of clauses 10.2, 10.3 and 10.4 shall be borne by the contractor.

Clause 10.4 - Source of Performance Security

Add new clause 10.4

The performance security, submitted by the Contractor in accordance with Clause 10.1 shall be furnished by an institution acceptable to the Procuring entity and registered in Kenya or licensed to do business in Kenya.

Clause 13.1 - Work to be in Accordance with Contract

Unless it is legally or physically impossible, the contractor shall execute and complete the Works including any re-runs attributable to the contact at the contractor's costs in strict accordance with the contract to the satisfaction of the Engineer. The Contractor shall comply with and adhere strictly to the Engineer's instructions on any matter, whether mentioned in the Contract or not, touching or concerning works. The contractor shall take instructions only from the Engineer; or subject to the provisions of Clause 2, from Engineer's representative.

Clause 14.1 - Programme to be submitted

Delete Clause 14.1 and substitute: -

Within 14 days of the Commencement Date, the Contractor shall submit to the Engineer for his approval a programme showing, in such form as he may reasonably be required by the Engineer, the order of procedure in which he proposes to carry out the Works, the Programme shall also indicate the times by which the Contractor requires the Procuring entity to have obtained any consents, way leave and approvals necessary for the purpose of the Works. The submission to and approval by the Engineer of such a programme shall not relieve the Contractor of any of his duties or responsibilities under the Contract. The Contractor shall, whenever required by the Engineer, also provide in writing for his information a general description of the arrangements and methods, which the Contractor proposes to adopt for the execution of the Works.

After submission to and approval by the Engineer of such programme, the Contractor shall adhere to the order of procedure and method stated therein unless he obtains the written permission of the Engineer

to vary such order or method (which permission shall not be unreasonably withheld.)

Clause 14.3 - Cash Flow Estimate to be submitted

Amend Clause 14.3 to read as follows: -

Delete the words “within the time stated in Part II of these Conditions after the date of the letter of Acceptance” and substitute “within 14 days of the Commencement date”.

Clause 15.2 - Language Ability of Contractor’s Representative

Add new Clause 15.2

The Contractor’s authorised representative, both in the home Office and at site, shall be fluent in written and spoken ENGLISH.

Clause 16.1 - Contractor’s Employees

Add: -

- (c) The contractor, his sub-contractor and suppliers shall provide such number of expatriate personnel required to perform the Works. The Procuring entity shall, subject to his approval of the relevant personnel, provide the necessary supporting letters and assist in the obtaining of all necessary permits and approval in respect of such expatriates.

Clause 16.3 - Language Ability of Superintending Staff

Add new Clause 16.3

A reasonable proportion of the contractor’s superintending staff shall have a working knowledge of ENGLISH, or the Contractor shall have available on site at all times a sufficient number of competent interpreters to ensure the proper transmission of instructions and information.

Clause 17.1 - Setting out

Delete this clause.

Clause 18.1 - Boreholes and Exploratory Excavation

Delete this Clause

Clause 19.1 - Safety, Security and Protection of Environment

Delete this clause and substitute: -

The contractor shall, throughout the execution and completion of the Work have full regard for the safety of all persons entitled to be upon the Site and keep the site in an orderly state appropriate to the avoidance of danger to such persons. The contractor shall in due respect provide for environmental conservation in the surrounding working area to the satisfaction of the Procuring entity.

Clause 20.1 - Care of Works

Delete this clause.

Clause 20.2 - Responsibility to rectify loss of Damage

Delete this clause.

Clause 20.3 - Loss or Damage Due to Procuring entity's Risks

Delete this clause.

Clause 21.1 - Insurance of Works and Contractor's Equipment

Delete this clause and substitute:-

The Contactor shall without limiting his or the procuring entity's obligations and responsibilities, insure:

- (a) The Pipeline for any damages that may be caused due to the works to be carried by the Contractor to the full rectification cost, up to the limit of US\$1,000,000.00

A copy of such insurance is to be included in the contract agreement together with the Performance Bond.

- (b) The Contractor's Equipment and other things brought onto site by the Contractor for a sum efficient for their replacement at the site.

The insurance in paragraphs (a) and (b) shall provide for compensation to be payable in the types and proportions of currencies required to rectify the loss or damage incurred.

Clause 21.2 - Scope of Cover

Amend sub-para. (a) of Sub-Clause 21.2 by deleting the words "from the start of work at the Site" and by substituting therefore the words "from the first working day after the Commencement Date".

Add the following as Sub-Clause (c) under Sub-Clause 21.2:

“It shall be the responsibility of the Contactor to notify the insurer and the employer (Procuring entity) of any change in the nature and extent of the Works and to ensure the adequacy of the insurance coverage at all times during the period of the Contract. All notifications shall be copied to the Engineer”.

Clause 22.2 - Exceptions

Delete this clause

Clause 23.1 - Third Party Insurance (including Procuring entity's Property)

The Contractor shall, without limiting his or the Procuring entity obligations and responsibility under Clause 22, insure against liabilities for death of or injury to any person (other than provided in Clause 24) or loss of or damage to any property (other than the works) arising out of the performance of the Contract, other than the exceptions defined in paragraphs (a), (b) and (c) of Sub-Clause 22.2.

Clause 23.2 - Minimum Amount of Insurance

Such insurance shall be to the limit of USD1,000,000.00 for any one occurrence for unlimited number of occurrences.

Clause 25.1 - Evidence and Terms of Insurances

Amend Sub-Clause 25.1 by inserting the words "as soon as practicable after the respective insurances have been taken out but in any case" before the words "prior to start of the work at Site".

Clause 34.1 - Engagement of Staff and Labour

Delete this clause and substitute:-

Kenyan personnel

- a) The Contractor shall be solely responsible for and shall meet the costs incurred in connection with the employment, administration, medical services, messing and accommodation, payment of salaries and wages, deduction of income tax (pay as you earn) and timely payment of same to the income tax department, together with the deduction and payment of any other applicable taxes on behalf of his employees and all other matters relating thereto.
- b) The Contractor shall familiarise himself with the labour laws of Kenya and shall be responsible for carrying out the requirements thereof.
- c) The Contractor shall be responsible for ensuring the timely payment of all compulsory contributions as required by the National Hospital Insurance Act of 1998 in the case of a labour contract. The Contractor shall expressly provide within the contract that the said contributions have been paid.
- d) The Contractor shall take particular note of the requirements of the Industrial Trading (Building and Civil Engineering Industry) (Training Levy) order 1971 and shall at his own cost arrange for the payment of the training levy in accordance with the requirements of the said order.

- e) The Contractor shall in all his dealings with contract labour abide by all the provisions of the Regulation of wages and conditions of employment Act, including the regulations of wages (Building and construction industry) order 1973, together with the applicable safety and sanitary regulations and have regard to all recognised festivals, statutory holidays, days of rest and religious and other customs.

Non-Kenyan personnel

The Contractor shall at his own cost, make arrangements with regard to the employment of non- Kenyan personnel and shall be responsible (inter alia) for the following:-

- a) The carrying out of medical examinations, together with the necessary vaccinations, inoculations and health certificates.
- b) The provision of passports, visas, work permits, residence permits and all other documents as may be required from time to time.
- c) The provision of accommodation, messing and other facilities for such employees inside Kenya, and transport for them to and from Kenya.
- d) Payment of Salaries
- e) The timely payment of all compulsory contributions as required by the National Hospital Insurance Act 1998.
- f) The payment of hospital and medical treatment as it is required.
- g) The assurance of such personnel and their families in the event of their coming to Kenya are of good behaviour while in Kenya and comply with the policies of the Procuring entity about safety and health and other regulations. Regarding the families of any such non-Kenyan employees, the Contractor agrees to indemnify the Procuring entity against all claims and/or actions brought against the Procuring entity, his agents, and servants arising out of the presence of such families in Kenya, including the transport thereof to and from Kenya.
- h) The replacement of such personnel for whatsoever cause.
- i) It is understood that the Procuring entity shall be under no responsibility whatsoever in respect of the Contractor's staff and employees and the Contractor undertakes to save harmless and keep the Procuring entity indemnified against all claims made by such staff and employees and/or their families.
- j) The Contractor shall use his best endeavours to ensure non-Kenyan staff shall not take part in any political action or interfere in political matters in Kenya and the Contractor

undertakes to include a Clause to such effect in all Contracts into which he may enter.

- k) The Contractor shall in all his dealings with non-Kenyan Personnel have due regard to all recognised Kenyan festivals, statutory holidays, days of rest and religious and other customs.

Add Clauses 34.2 to 34.17 inclusive

Clause 34.2 - Rates of Wages and Conditions of Labour

The Contractor shall pay rates of wages and observe conditions of labour not less favourable than those established for the trade or industry where the work is carried out. In the absence of any rates of wages or conditions of labour so established, the Contractor shall pay rates of wages and observe conditions of labour which are not less favourable than the general level of wages and conditions observed by other procuring entities whose general circumstances in the trade or industry in which the Contractor is engaged are similar.

Clause 34.3 - Employment of Persons in the Service of Others

Clause 34.3 - Employment of Persons in the Service of Others

The Contractor shall not recruit or attempt to recruit his staff and labour from amongst persons in the service of the Procuring entity or the Engineer's Representative.

Clause 34.4 - Repatriation of Labour

The Contractor shall be responsible for the return to the place where they were recruited, or to their domicile, all such persons as he recruited and employed for the purposes of or in connection with the Contract, and shall keep and maintain such persons as are to be so returned in a suitable manner until they shall have left the Site or, in the case of persons who are not nationals of and have been recruited outside Kenya, shall have left Kenya.

Clause 34.5 - Housing for Labour

The Contractor shall provide and maintain suitable temporary living quarters, mess catering and recreational facilities for his staff and labour. Such facilities shall be maintained to the highest standards consistent with the location. The Contractor shall provide, in addition, such facilities for the staff of the Procuring entity, Engineer and the Engineer' Representative as may be described in the Contract.'

Clause 34.6 - Accident Prevention Officer; Accidents

The Contractor shall have on his staff at the Site an Officer dealing only with questions regarding the safety and protection against accidents of all staff and labour. This Officer shall be qualified for this work and shall have the authority to issue instructions and shall take protective measures to prevent accidents, all of which shall be in conformity with the requirements of Clause 79.1.

Clause 34.7 - Health and Safety

Due precautions shall be taken by the Contractor, and at his own cost, to ensure the safety of his staff and labour and, in collaboration with and to the requirements of the Procuring entity and local health authorities, to ensure that medical staff, first aid equipment and stores, sick bay and suitable ambulance service are available at the camps, housing and on the Site at all times throughout the period of the Contract and that suitable arrangements are made for the prevention of epidemics and for all necessary welfare and hygiene requirements.

Clause 34.8 - Measures against Insect and Pest Nuisance

The Contractor shall always take the necessary precautions to protect all staff and labour employed on the site from insect nuisance, rats and other pests and reduce the dangers to health and the general nuisance occasioned by the same. The Contractor shall provide his staff and labour with suitable prophylactics for the prevention of malaria and take steps to prevent the formation of stagnant pools of water. He shall comply with all the regulations of the Procuring entity and local health authorities in these respects and shall in particular arrange to spray thoroughly with approved insecticide in all buildings erected on Site. Such treatment shall be carried out either at least three times a year or as instructed by the Engineer. The Contractor shall warn his staff and labour of any prevalent diseases and/or dangers pertaining to the work, country or areas of construction.

Clause 34.9 - Epidemics

In the event of any outbreak of illness of an epidemic nature, the Contractor shall comply with and carry out such regulations, orders and requirements as may be made by the Government or Governments, or the local medical or sanitary authorities, for the purpose of dealing with and overcoming the same.

Clause 34.10 - Burial of the Dead

The Contractor shall make all necessary arrangements for the transport, to any place as required for burial of any of his expatriate employees or members of their families who may die in Kenya. The Contractor shall also be responsible, to the extent required by the local regulations, for making any arrangements regarding the burial of any of his local employees who may die while engaged upon the Works.

Clause 34.11 - Supply of Foodstuffs

The Contractor shall ensure that the workforce is properly nourished and, where appropriate, arrange for the provision of a sufficient supply of suitable food at reasonable prices for all his staff and labour, or his sub-contractors, for the purposes of, or in connection with, the Contract.

Clause 34.12 - Supply of Water

The Contractor shall, for the duration of the Contract, having regard to local conditions, provide on the Site an adequate supply of drinking and other water for the use of his staff and labour.

Clause 34.13 - Alcoholic Liquor or Drugs

The Contractor shall not, otherwise than in accordance with the Statutes, Ordinances and Government Regulations or Orders for the time being in force, import, sell, give, barter or otherwise dispose of any alcoholic liquor or drugs, or permit or suffer any such importation, sale, gift, barter or disposal by his sub-contractors, agents, staff or labour.

Clause 34.14 - Arms and Ammunition

The Contractor shall not give, barter or otherwise dispose of to any person or persons, any arms, ammunition or explosive of any kind or permit or suffer the same as aforesaid.

Clause 34.15 - Festivals and Religious Customs

The Contractor shall in all dealings with his staff and labour have due regard to all recognised festivals, days of rest and religious or other customs.

Clause 34.17 - Disorderly Conduct

The Contractor shall at all times take all reasonable precautions to prevent any unlawful, riotous or disorderly conduct by or amongst his staff and labour and for the preservation of peace and protection of persons and property in the neighbourhood of the Works against the same.

Clause 35.2 - Records of Safety and Health

Add Clause 35.2:-

The Contractor shall maintain such records and make such reports concerning safety, health and welfare of persons and damage to property as the Engineer may from time to time prescribe.

Clause 35.3 - Reporting of Accidents

Add Clause 35.3:-

The Contractor shall report to the Engineer details of any accident as soon as possible after its occurrence. In the case of any fatality or serious accidents, the Contractor shall, in addition, notify the Engineer by the quickest available means.

Clause 36.1 - Materials, Plant & Workmanship

Delete this clause

Clause 36.2 - Cost of Samples

Delete this clause

Clause 36.3 - Cost of Tests

Delete this clause.

Clause 36.4 - Cost of Tests not provided for

Delete this clause.

Clause 36.5 - Engineer's Determination where Tests not provided for

Delete this clause.

Clause 37.1 - Inspection of Operations

Delete this clause and substitute:

The Engineer, and any person authorised by him, shall at all reasonable times have access to the Site and to all places where the work is being carried out. The Contractor shall afford every facility for and Offer all assistance in obtaining the right of such access.

Clause 37.2 - Inspection and Testing

Delete this clause and substitute

The Engineer shall be entitled to inspect and verify the works during the execution. The Contractor shall provide all assistance for such inspection. Such inspection shall not release the Contractor from any obligation under the Contract.

Clause 37.3 - Dates for Inspection & Testing

Delete "of any materials or Plant" and replace with "works"

Clause 37.4 - Rejection

Delete all references of "materials or Plant" and replace with "works"

Clause 37.5 - Independent Inspection

Delete all references of "materials or Plant" and replace with "works"

Clause 38.1 - Examination of Work before covering up

Delete this clause

Clause 38.2 - Uncovering and Making Openings

Delete this clause

Clause 39.1 - Removal of Improper Work, Materials or Plant

Delete this clause

Clause 39.2 - Default of Contractor in Compliance

Delete this clause

Clause 41.1 - Commencement of Works

Amend Sub-Clause 41 to read as follows:-

The Contractor shall commence the Works as soon as is reasonably possible after the Commencement Date as defined in Conditions of Particular Application 1.2, Sub Clause 1 (c) (i), Thereafter the

Contractor shall proceed with the Works with due expedition and without delay.

Clause 45.1 - Restriction on Working Hours

Delete Clause 45.1 and substitute:-

None of the Works shall, save as hereinafter provided, be carried out during times other than those agreed by the Procuring entity and the Contractor, without the consent of the Engineer, except where work is unavoidable or absolutely necessary for the saving of life or property or for the safety of the Works, in which case the Contractor shall immediately notify the Engineer. Provided that the provisions of this clause shall not be applicable in the case of any work which it is customary to carry out on a shift basis.

Clause 47.1 - Liquidated Damages for Delay

If the Contractor shall fail to complete the whole of the Works within the time prescribed by Clause 43.1 hereof or, if applicable, any Section within the relevant time prescribed by Clause 43, then the Contractor shall pay to the Procuring entity the sum stated in the Tender as liquidated damages for such default, and not as penalty, for every day or part of a day which shall elapse between the time prescribed by Clause 43.1 hereof and the date stated in a Taking-Over Certificate of the whole of the Works, or the relevant Section.

The Procuring entity may without prejudice to any other method or recovery deduct the amount of such damages from any monies in his hands due or which may become due to the Contractor.

Failure to meet the Time for Completion entitles the Procuring entity to reduction in Contract Price as follows:

Maximum amount of liquidated damages per week shall be **USD 50,000.00**

The payment or deduction of such damages shall not relieve the Contractor from his obligation to complete the Works or from any other liabilities under the Contract.

Prolonged delay

Maximum amount recoverable from the Contractor by the Procuring entity: 10% of the Contract Sum

Clause 48.2 - Taking Over of Sections or Parts

Delete all reference of 'Permanent Works' with 'Works'

Clause 48.3 - Substantial Completion of Parts

Delete all reference of 'Permanent Works' with 'Works'

Clause 48.4 - Surfaces Requiring Reinstatement

Delete all reference of 'Permanent Works' with 'Works'

Clause 49.1 - Defects Liability

In these Conditions the expression “Defects Liability Period” shall mean 120 days from receipt of the final report and;

“Defects” shall refer to inaccurate data during dig verifications.

Delete Paragraphs (a) and (b)1

Delete Clauses 49.2 to 49.4

Clause 50.1 - Contractor to Search

Delete this clause

Clause 51.1 - Variations

Delete sub clause (f)

Clause 51.2 - Instructions for Variations

Replace 'Bill of Quantities' with 'Schedule of Prices'

Clause 52.1 -Valuation of Variations

Add new paragraph as follows:-

Where the Contract provides for the payment of the Fixed Lump Sum Contract Price in more than one currency, and varied work is valued at, or on the basis of, the rates and prices set out in the Contract, payment for such varied work shall be made in the proportions of various currencies specified in the Agreement as if it were a part of the Lump Sum payment.

Where the Contract provides for payment of the Fixed Lump Sum Contract Price in more than one currency, and new rates or prices are agreed, fixed, or determined as stated above, the amount or proportion payable in each of the applicable currencies shall be specified when the rates or prices are agreed, fixed, or determined, with the understanding that in specifying these amounts or proportions the Contractor and the Engineer (or, failing agreement, the Engineer) shall take into account the actual or expected currencies of cost (and the proportions thereof the inputs of the varied work without regard to the proportions of various currencies specified in the Agreement for payment of the Fixed Lump Sum Contract Price.

Clause 52.2 - Power of Engineer to Fix Rates

Add to first paragraph final sentence as follows:-

Where the Contract provides for the payment of the Fixed Lump Sum Contract Price in more than one currency, the amount or proportion payable in each of the applicable currencies shall be specified when the rates or prices are agreed, fixed, or determined as stated above, it being understood that in specifying these amounts or proportions the Contractor and the Engineer (or, failing agreement, the Engineer) shall take into account the actual or expected currencies of cost (and the proportions thereof of the inputs of the varied work without regard to

the proportions of various currencies specified in the Agreement for payment of the Fixed Lump Sum Contract Price.

Add as a third paragraph:-

“Provided further that no change in the rate or price for any item contained in the Contract shall be considered unless such item accounts for an amount more than 2 per cent of the Fixed Lump Sum Contract Price, and the actual quantity of work executed under the item exceeds or falls short of the quantity set out in the Price Breakdown by more than 25 per cent.”

Clause 52.3 - Variations Exceeding 15 Per Cent

Contract price variations shall not be allowed for contracts not exceeding one year (12 months). Where the contract exceeds one year, the variation may be allowed by the procuring entity subjected to the provision of section 47 of the Public Procurement and Disposal act, 2005 as read together with regulations 31 of the public procurement and disposal regulation, 2006.

Where contract price variation is allowed, the variation shall not exceed 15% of the original contract price.

Add final sentence as follows:-

Where the Contract provides for the payment of the Fixed Lump Sum Contract Price in more than one currency, the amount or proportion payable in each of the applicable currencies shall be specified when such further sum is agreed or determined, it being understood that in specifying these amounts or proportions the Contractor and the Engineer (or, failing agreement, the Engineer) shall take into account the currencies (and the proportions thereof) in which the Contractor's Site and general overhead cost of the Contract were incurred without being bound by the proportions of various currencies specified in the Agreement for payment of the Fixed Lump Sum Contract Price.

Price variation requests shall be processed by the procuring entity within 30 days of receiving the request.

Clause 52.4 -Day Work

Delete this clause.

Clause 54.3 - Import Permits and Duties

Delete Clause 54.3 and substitute:-

The Contractor shall obtain all import permits or Licences required for any part of the Contractor's equipment or Works, in reasonable time having regard to the time of delivery of same and Completion of the Works. The Procuring entity will Offer assistance where possible.

All materials and equipment, temporary or permanent, required by the- Contractor to complete the Works shall be subject to all customs,

import duties, sales taxes and other taxes determined by the Government of Kenya. Such costs shall be deemed to be included in the Contractor's Price, subject to the provisions of **Clauses 70.1 and 70.2**.

Clause 55.1 - Quantities

Replace all references of "Bill of Quantities" with "Schedule of Prices"

Clause 55.2 - Omissions of Quantities

Add new Clause 55.2:-

Items of the Works described in the Schedule of Prices for which no rate or price has been entered in the Contract shall be considered as included in other rates and prices in the Contract and will not be paid for separately by the Procuring entity.

Clause 56.1 - Works to be Valued

Delete Clause 56.1 and substitute:-

The Engineer shall, except as otherwise stated, ascertain and determine by assessment the value of the proportion of each item in the Schedule of Price, which has been completed and the Contractor shall be paid that value in accordance with Clause 60. The Engineer shall, when he requires any part of the Works to be valued, give reasonable notice to the Contractor's authorised agent, who shall:

- (a) Forthwith attend or send a qualified representative to assist the Engineer in making such valuation and
- (b) Supply all particulars required by the Engineer.

Should the Contractor not attend or neglect or omit to send such representative, then the valuation either made by the Engineer or approved by the Engineer shall be taken to be the correct valuation of the Works.

Clause 60 - Certificates and Payment

Clauses 60.1 to 60.3 and 60.5 to 60.10 of the General Conditions are deleted and the following Clauses substituted therefore: Two additional Clauses 60.11 and 60.12 have been added.

Clause 60.2 - Monthly Payments

The said statement shall be approved or amended by the Engineer in such a way that, in his opinion, it reflects the amounts in various currencies due to the Contractor in accordance with the Contract, after deduction, other than pursuant to **Clause 47**, of any sums which may have become due and payable by the Contractor to the Procuring entity. In cases where there is a difference of opinion as to the value of any item, the Engineer's view shall prevail. Within 14 days of receipt of the monthly statement referred to in Clause 60.1, the Engineer shall determine the amounts due to the Contractor and shall deliver to the Procuring entity and the Contractor an Interim Payment Certificate, certifying the amounts due to the Contractor.

Provided that the Engineer shall not be bound to certify any payment under this Sub-Clause if the net amount thereof, after all retentions and deductions, would be less than the Minimum Amount of Interim Payment Certificates stated in the Schedule to the Agreement. However, in such case, the unpaid certified amount will be added to the next interim payment, and the cumulative unpaid certified amount will be compared to the minimum amount of interim payment.

Notwithstanding the terms of this Clause or any other Clause of the Contract, no amount will be certified by the Engineer for payment until the performance Security has been provided by the Contractor and approved by the Procuring entity.

Clause 60.3 - Payment of Retention Money

Upon the issue of the Taking-Over Certificate with respect to the whole of the Works, one half of the Retention Money, or upon the issue of a Taking- Over Certificate with respect to a Section or part of the Permanent Works only such proportion thereof as the Engineer determines having regard to the relative value of such Section or part of the Works, shall be certified by the Engineer for payment to the Contractor. The Contractor may substitute the remaining retention money with an on demand bank guarantee in a form, and from a source, acceptable to the Procuring entity.

Upon the expiration of the Defects Liability Period for the Works, the other half of the Retention Money shall be certified by the Engineer for payment to the Contractor (or return of the remaining Security, which replaced the Retention Money). Provided that, in the event of different Defects Liability Periods being applicable to different Sections or parts of the Permanent Works pursuant to **Clause 48**, the expression "expiration of the Defects Liability Period" shall, for the purposes of this Sub-Clause, be deemed to mean the expiration of the latest of such periods.

Provided also that if at such time, there shall remain to be executed by the Contractor any work instructed, pursuant to Clauses 49 and 50, in respect of the Works, the Engineer shall be entitled to withhold certification until completion of such work of so much of the balance of the Retention Money as shall, in the opinion of the Engineer, represent the cost of the work remaining to be executed.

Clause 60.10 - Time of Payment and Interest

The amount due to the Contractor under any Interim Payment Certificate issued by the Engineer pursuant to this Clause, or to any other term of the Contract, shall, subject to Clause 47, be paid by the Procuring entity to the Contractor within 30 days after the Contractor's invoice statement has been submitted to the Engineer for certification or, in the case of the Final Payment Certificate pursuant to Sub-Clause 60.13, within 84 days after the Final Statement and written discharge have been submitted to the Engineer for certification. In the event of

the failure of the Procuring entity to make payment within the times stated, the Procuring entity shall pay to the Contractor interest compounded monthly at the rate(s) stated in the Schedule to the Agreement upon all sums unpaid from the date upon which the same should have been paid, in the currencies in which the payments are due. The provisions of this Clause are without prejudice to the Contractor's entitlement under Clause 69 or otherwise.

Payments to the Contractor in foreign currency shall be effected through and in accordance with, the terms and conditions of the contract Agreement.

All local currency payments, including the reimbursement of Value Added Tax relevant to the imported permanent materials and Plant shall be paid to the Contractor within 45 days of the Certification of the Interim and Final Certificates.

Clause 60.12 - Place of Payment

Payments to the Contractor by the Procuring entity shall be made in the currencies in which the Fixed Lump Sum Contract Price is payable into a bank account or accounts nominated by the Contractor.

Clause 63.1 - Default of Contractor

Delete the last sentence of this Sub-Clause and substitute:-

"The Procuring entity or such other Contractor may use for such completion so much of the Contractor's Temporary Works, unused Plant and materials, as he or they may think proper"

Clause 65.2 - Special Risks

Amend Sub-Clause 65.2 to read "The Special Risks are the risk defined under paragraph (a), (c), (d) and (e) of Sub-Clause 20.4 and paragraph (b) of Sub-Clause 20.4 for works done in Kenya".

Clause 67.1 - Settlement of Disputes

Amend Sub-Clause 67.1 & 67.2 to read as follows

The procuring entity and the tenderer shall make every effort to resolve amicably by direct informal negotiation and disagreement or dispute arising between them under or in connection with the contract.

Amend Sub-Clause 67.3 to read as follows

If, after thirty (30) days from the commencement of such informal negotiations both parties have been unable to resolve amicably a contract dispute, either party may require adjudication in the High Court of Kenya.

Clause 68.2 - Notice to Procuring entity and Engineer

For the purposes of this Clause, the respective addresses are:-

- a) The Procuring entity

**The Managing Director,
Kenya Pipeline Company Ltd,
Kenpipe Plaza,
Sekondi Rd, Off Nanyuki Rd,
Industrial Area,
P. O. Box 73442 - 00200,
Nairobi, Kenya.**

b) The Engineer

**The Engineering Manager,
Kenya Pipeline Company Ltd,
Kenpipe Plaza,
Sekondi Rd, Off Nanyuki Rd,
Industrial Area,
P. O. Box 73442 - 00200,
Nairobi, Kenya.**

Clause 69.1 (d) - Economic Dislocation

Sub-Clause 69.1 (d) is deleted

Clause 69.3 - Payment on Termination

Delete from, "but in addition to the payments specified ..." to the end of the Sub-Clause.

Clause 70.1 - Increase or Decrease in Cost

Delete the text of Clause 70.1 and substitute:-

Provided the Commencement Date occurs on or before the validity date stated in the Schedule to the Agreement, then no adjustments to the Fixed Lump Sum Contract Price shall be made in respect of rise or fall in the cost of labour, specified materials, or any other matters affecting the cost of execution of the Works.

Clause 72.2 - Currency Proportions

Delete this Clause.

Clause 73.1 - Foreign Taxation

The prices bid by the Contractor shall include all taxes, duties, and other charges imposed outside the Procuring entity's country on the production, manufacture, sale, and transport of the Contractor's Equipment, Plant, materials, and supplies to be used on or furnished under the Contract, and on the services performed under the Contract.

Clause 73.3 - Income Taxes on Staff

The Contractor's staff and labour will be liable to pay personal income taxes in the Procuring entity's country in respect of such of their salaries and wages as are chargeable under the laws and regulations for the time being in force, and the Contractor shall perform such

duties in regard to such deductions thereof as may be imposed on him by such laws and regulations.

Clause 73.4 - Duties on Contractor's Equipment

Notwithstanding the provisions of Sub-Clause 73.2, Contractor's Equipment including essential spare parts therefore, imported by the Contractor for the sole purpose of executing the Contract shall be temporarily exempt from the payment of import duties and taxes upon initial importation, provided the Contractor shall post with the customs authorities at the port of entry an approved export bond or bank guarantee, valid until the time of completion of the Contract plus six months, in an amount equal to the full import duties and taxes which would be payable on the assessed imported value of such Contractor's Equipment and spare parts, and callable in the event that the Contractor's Equipment is not exported from the Procuring entity's country on completion of the Contract. A copy of the bond or bank guarantee endorsed by the customs authorities shall be provided by the Contractor to the Procuring entity upon the importation of individual items of Contractor's Equipment or spare parts, or upon completion of the Contract, the Contractor shall prepare, for approval by the Customs authorities, an assessment of the residual value of the Contractor's Equipment and spare parts to be exported, based on the depreciation scale(s) and other criteria used by the customs authorities for such purposes under the provisions of the applicable law Import duties and taxes shall be due and payable to the customs authorities by the Contractor on:-

- (a) The difference between the initial imported value and the residual value of the Contractor's Equipment and spare parts to be exported, and;
- (b) On the initial imported value of that Contractor's Equipment and spare parts remaining in the Procuring entity's country after completion of the Contract. Upon payment of such dues within 28 days of being invoiced, the bond or bank guarantee shall be reduced or released accordingly; otherwise the Security shall be called in the full amount remaining.

Clause 74.1 - Bribes

If the Contractor or any of his Sub-Contractors, agents or servants offers to give or agrees to give to any person, any bribe, gift, gratuity or commission as an inducement or reward for doing or forbearing to do any action in relation to the Contract or any other contract with the Procuring entity or for showing or forbearing to show favour or disfavour to any person in relation to the Contract or any other contract with the Procuring entity, then the Procuring entity may enter upon the Site and the Works and terminate the employment of the Contractor and the provisions of Clause 63 hereof shall apply as if such entry and termination had been made pursuant to that Clause.

Clause 75.1 - Termination of Contract for Procuring Entity's Convenience

The Procuring entity shall be entitled to terminate this Contract at any time for the Procuring entity's convenience after giving 57 days' prior notice to the Contractor, with a copy to the Engineer. In the event of such termination, the Contractor

- (a) Shall proceed as provided in Sub-Clause 65.7; and
- (b) Shall be paid by the Procuring entity as provided in Sub-Clause 65.8.

Clause 77.1 - Joint and Several Liabilities

Where the Contractor is a joint venture or partnership of two or more persons, all such persons shall be jointly and severally bound to the Procuring entity for the fulfilment of the Contract, to complete the Works and remedying of defects thereof. One of such persons shall be designated to act as leader with the authority to bind the joint venture or partnership. The composition or the constitution of the joint venture or partnership shall not be altered without the prior consent of the Procuring entity.

Clause 78.1 - Details to be Confidential

The Contractor shall treat the details of the Contract as private and confidential, save in so far as may be necessary for the purposes thereof, and shall not publish or disclose the same or any particulars thereof in any trade or technical paper or elsewhere without the previous consent in writing of the Procuring entity or the Engineer.

If any dispute arises as to the necessity of any publication or disclosure for the purpose of the Contract, the same shall be referred to the decision of the Procuring entity whose award shall be final.

Clause 79.1 - Safety Requirements

The Contractor shall at all times execute the Works in a safe and secure manner and actively practice safety throughout the term of the Contract and shall comply with the applicable Kenya Pipeline Company or Kenyan Government Fire and Safety Regulations.

Clause 80.1 - Kenyan Personnel and Goods

Subject to any restraints of the Loan Agreement, the Contractor shall in connection with this Contract make every endeavour to employ Kenyan personnel to the fullest possible extent and to utilise local materials, provided that such goods as compared to similar goods of foreign origin can be acquired on equally advantageous conditions with due regard to their quality, availability, suitability and price all consistent with his obligations under this Contract and financial arrangements.

Clause 81.1 - Information on Contractor's Employees

The Contractor shall provide at the request of the Engineer such reasonable information about his employees as may be necessary, including (inter alia) names, addresses, curriculum vitae, reports, residence permit numbers and work permit numbers.

SECTION IV: SPECIFICATIONS AND SCOPE OF WORKS

1.0 General Scope of Work

- 1.1 Kenya pipeline Company Ltd. operates a 325KM long, 14-inch diameter product pipeline from Nairobi to Eldoret and a 122KM long, 10-Inch diameter from Sinendet to Kisumu in addition to four other cross-country pipelines. The 14-Inch pipeline was commissioned in the year 2012 and was last internally inspected in the year 2014 while the 10-Inch pipeline was commissioned in April 2016 and has been inspected. For general schematic of the pipelines, please see the attached annexure-1.
- 1.2 The 14-Inch Nairobi-Eldoret pipeline is due for re-inspection as per the In-Line Inspection report of 2014. The pipeline shall be inspected using High Resolution Magnetic Flux Leakage- Axial (MFL).
- 1.3 The 14-Inch pipeline was observed to have incomplete pipeline construction records and its steel grade needs to be verified to determine the correct operational pressure and the estimated repair factor (ERF) for better future maintenance planning. This pipeline shall be inspected using Pipe Grade Determination (PGD) technology.
- 1.4 On the 10-Inch Sinendet-Kisumu pipeline, the Company wishes to carry out baseline inspection using High Resolution Magnetic Flux Leakage- Axial (MFL) and Ultrasonic Thickness (UT) Crack Detection to have a reference status point for future maintenance planning.
- 1.4 It would also be necessary, prior to the inspection; the pipeline will be subjected to aggressive cleaning to ensure that dirt in the pipeline does not affect the data from the pipeline inspection report.
- 1.5 Following the assessment inspection report, the Fitness for Purpose (FFP) assessment will be done to determine strategies that will be recommended by the pipeline inspection company to ensure safe and economic future operation of the pipeline.
- 1.6 For the purpose of this inspection, KPC designates the 14-Inch Nairobi-Eldoret pipeline as Line-4 and the 10-Inch Sinendet-Kisumu pipeline as Line-6. This Line-4 shall be categorised into two sections.

Section 1 shall be the pipeline between PS21 and PS24, approximately 185 kms.

Section 2 shall be the pipeline between PS24 and PS24, approximately 140 kms.

The Line-6 is the pipeline between PS26 and PS28 approximately 122Km shall be categorised as section 3.

There exist pig launchers both at PS21, PS24 and PS26, and pig receivers at PS24, PS27 and PS28. The successful tenderer must determine the suitability of these existing launchers and receivers in relation to their tools size and performance specifications.

2.0 Site Visit

(this is mandatory refer to section i: invitation for tenders Clause 1.3(viii))

- 2.1 In addition to the pipeline data and profile provided, it is recommended that the Contractor visits site to get acquainted with the pipeline crossings, pump stations, launch/receive traps, proposed field base and accommodation for field personnel. It is expected that the contractor acquaints himself with the above ground features as they shall be used as reference points during the process of pigging and reporting. The contractor is at liberty to add additional external features to the existing if in his judgement, it shall ease the pigging and reporting processes.

3.0 Pull-Through Test (Tool Calibration)

- 3.1 Contractor is required to conduct Calibration/Pull-through Test of the instrumented tools at Contractor's work facilities prior to mobilization of the tools at sites. KPC, shall witness the Pull-through Test to ascertain diagnostic capability, reliability, etc. of the inspection tools to be deployed at site. The contractor shall inform KPC at least 15 working days in advance before performing the Pull-through Test for necessary arrangements to witness the same by KPC's representative. During Pull-through Test, the KPC's representatives shall be allowed to share the Technical information related to the Intelligent Pig & Geometry Pig, including Test Pipe Data, Tool Velocity, Magnetization Level achieved, and Metal Loss Inspection Performance achieved during Testing. The Test Certificates (in English language and countersigned by the MRPL's representative) shall be submitted to the KPC. Pull-through Test Report for Intelligent Pigs shall be submitted within seven (07) days of performing the Test. All the charges for engaging & certification charges of the third-party inspector shall be borne by the Contractor.
- 3.2 A contractor who fails to meet the requirement set out in clause 3.0 above will have the contract terminated and no

reimbursement for the witnessing by KPC personnel will be made.

4.0 Handling of Equipment/Tools

- 4.1 The company will provide the contractor with accurate records and charts for determining the compatibility of the equipment with the pipeline. All such records and charts shall be promptly returned to the company following completion of the services.
- 4.2 The Company shall provide the contractor with details of any fittings, containing overbore or non-circular sections or recesses such as normally occur on gate valves, check valves or non-return/clapper valve bodies.
- 4.3 The company will advise the contractor of the geometry of any mitre or lobster back type fabricated bends.
- 4.4 The company will provide to the contractor an analysis of the product that will be present in the pipeline at the time of the inspection.
- 4.5 The company will bring to the attention of the contractor all statutes, rules and regulations relevant to the performance of the services at site and shall also provide the contractor with a copy of its own site regulations (if any), which the contractor shall comply with during the performance of the services at site.

5.0 Services at Site

- 5.1 The contractor shall provide a Profile Vehicle to the Company which the company shall run in the pipeline not more than 458 hours prior to the agreed scheduled date for the inspection vehicle run. The contractor shall be is responsible for introducing the profile vehicle into the Launch Trap and recovering the same from the Receiver Trap and the company shall be responsible for the running of the profile vehicle in the pipeline.
- 5.2 Following the running of the profile Vehicle the Contractor will assess the condition of the profile vehicle and provided its condition does not cause the contractor concern relating to the condition of the pipeline, the contractor shall carry out the inspection of the pipeline with the inspection vehicle. The contractor shall be responsible for introducing the Inspection Vehicle into the Launch Trap and recovering the same from the receive Trap and the company shall be responsible for the running of the Inspection Vehicle in the pipeline.
- 5.3 Purging of the Launch and Receive Traps during the aforesaid operations shall be carried out by the company in accordance with a procedure to be mutually agreed between the parties and

shall under no circumstances involve the use of water without the prior written consent of the Company.

- 5.4 Waste products emanating from the pipeline shall be removed by the company and disposed of in accordance with the appropriate regulations governing the disposal of hazardous waste.
- 5.5 During the services at site the company shall provide:
- i) Safe and unobstructed access for heavy vehicles to all on-shore sites to enable the contractor to perform the services.
 - ii) Secure weatherproof storage with power and lighting for the contractors Equipment at or near each component line.
 - iii) All necessary craneage and handling equipment complying with all relevant safety legislation to facilitate the offloading and handling of the Equipment and shall further provide all necessary transport and craneage during the Services and, upon conclusion of the services at the site shall provide transport and craneage to facilitate loading of Equipment for return.
- 5.6 The contractor's Inspection Vehicle shall be specifically designed and manufactured to ensure high-resolution inspection of the full circumferential extent of the pipeline and the detection of metal loss occurrences therein.
- 5.7 Inspection data obtained during the Inspection Vehicle run(s) in the pipeline will be subjected to a two-stage processing and analysis procedure.
- 5.8 The Contractor shall hire their own transport to facilitate their contractual obligations.
- 5.9 The contractor's inspection vehicles together with the aforementioned data processing and analysis should comprise the Contractor's inspection system.
- 5.10 The contractor shall be responsible for supplying any special tools, tackles or any other equipment that may be required for the performance of all the works to be executed in the entire pigging exercise.
- 5.11 The contractor shall be responsible for introducing the Inspection Vehicle into the Launch Trap and recovering the same from the receive Trap and the company shall be responsible for the running of the Inspection Vehicle in the pipeline.

6.0 Pig Runs

6.1 Pipeline Gauging

The contractor shall run a gauging plate pig to check the maximum deformation of the pipe. This shall be run once and if

damaged a re-run shall be done by the contractor and the results communicated to the employer immediately.

The Contractor shall run a gauge cleaning Pig in both sections of the pipeline. i.e. PS21-PS24 and PS24-PS24.

6.2 Pipeline Cleaning

a) Magnetic Pig

The Contractor shall run a magnetic cleaning Pig in all the three pipeline sections i.e. PS21-PS24, PS24-PS27 and PS26-PS28.

b) Scraper Pig- First Run

The contractor shall run the scraper PIG on all the three sections to remove hard deposits from the walls of the pipe at 50% setting.

c) Brush PIG – First run

The contractor shall run a dual module brush/magnetic pig on all the three pipeline sections to remove the debris left behind by the scraper pig.

d) Scraper PIG- Second Run

The contractor shall run the scraper PIG on all the three pipeline sections to remove any remaining hard deposits from the walls of the pipe at 100% setting.

e) Brush PIG – Second Run

The contractor shall run a dual module brush/magnetic pig on the three pipeline sections to remove the debris left behind by the scraper pig.

6.3 Calliper Pig

The contractor shall run a calliper pig on all the three pipeline sections to check the geometry of the pipeline in all the three sections. The calliper should check the bends, ovality (roundness) of the pipeline and other features on the pipeline and the results communicated to the employer. The calliper pig shall have enough battery life to pick data in each section, within the given flow rates and KPC operational constraints.

6.4 Dummy Pig

The Contractor shall run a dummy pig (optional) in any of the three pipeline sections if the report of the calliper/gauge pig indicates that there is need for the dummy. This dummy pig

shall be an exact simulation of the MFL pig. This shall be run once and the results communicated to the employer.

6.5 Magnetic Flux Leakage (MFL) Pig

The contractor shall run an MFL pig in all the three pipeline sections once. This pig shall be of enough endurance to last each section while recording all the data as indicated in this document.

6.6 Ultrasonic Crack Detection (UTCD) Pig

The contractor shall run an UTCD pig in the 10-Inch Sinendet-Kisumu (Section 3) pipeline once. This pig shall be of enough endurance to last each section while recording all the data as indicated in this document.

6.7 Pipe Grade Determination (PGD) Pig

The contractor shall run a PGD pig in both sections of the 14-Inch Nairobi-Eldoret pipeline once. This pig shall be of enough endurance to last each section while recording all the data as indicated in this document.

7.0 Reporting after Calliper, MFL, UTCD and PGD Tool Runs

7.1 Stage 1

Preliminary processing and analysis will be performed using the contractor's automatic data analysis facilities. All pipe wall deformations, metal loss features and crack-like features detected by the Inspection System irrespective of depth or surface dimension are automatically sized and reported together with Pipeline Anomalies and pipeline fittings in the pipeline summary report. The analysis systems employed during this stage will be specifically designed such that all features which may be of concern to the integrity of the pipeline are highlighted and are selected for more detailed processing and analysis, subject to the maximum number of features and specified.

7.2 Stage 2

The most significant features identified in stage 1 are selected for more detailed processing and analysis and reported on individual inspection sheets. Those features that have undergone such detailed processing and analysis shall be sized to the accuracy detailed in scope of work.

7.2.1.1 Preliminary report.

Immediately after running the instrumented tools, and within 14 days of completion of the tool runs, the contractor shall give an interim report of ten most serious recorded defects in the form of a severity table, for each section and for metal loss defects three internal and seven external defects.

The employer shall then select any three defects at random in each section. Jointly with the contractor, these three defects shall be excavated, measured and repaired. The random defects shall be to ascertain the accuracy of the instrumented tools in sizing and locating defects. These measurements shall match the specifications for detecting and measuring anomalies. These joint trial digs shall indicate to the employer the success of the inspection exercise. If this accuracy is not achieved, the contractor is under obligation to do what is within his means to issue an acceptable preliminary report, which shall include a re-run of the instrumented tools at no extra cost and risk to the employer.

If the tool is re-run, the contractor shall furnish the employer with the preliminary report, ten fresh locations in each section for joint dig verification and this time if there is a mis-match on the trial digs, no payment shall be made for this section. If there is no tallying of the results in the joint digs, no payment shall be made for the release of the result till these trial digs are successfully concluded.

After submission of final report, the employer shall select 3 (three) defect locations in every individual section/segment between launcher and receiver traps of the pipeline for verification. In case of mis-matching of any defect, the employer shall notify the contractor within 30 days and the contractor shall either visit site for further confirmation or review the same at their works and accordingly the final report shall be amended, in which case the amended report shall be considered as the final report.

Based on the amended report, another 3 (three) defect locations will be verified in same section within 90 days from the date of submission of final/amended report and retention money shall be released based on final/amended report and on verification of the results. If the verification results do not match of any section, no payment (retention money) against that section will be released. Successful completion of dig site verification against final report shall be considered acceptance of final report to release the retention money.

7.2.1.2 **Final Report**

The final report shall be submitted to the owner's representative or physically delivered to the employer not less than 40 working days after running the instrumented tools. The report shall be in six copies of each volume in hard copy and compatible software copies. Each of the Caliper Survey, the MFL survey and UTCD survey shall be in separate report. The contractor's technically competent staff shall have a five-day session with **Four Engineers** from the Employer at the Contractors domicile office/premise. This will be to present and discuss the data collection process, the data analysis, the data interpretation, and the results of the inspection exercise and all the mitigating factors. The Contractor should give an itinerary of this presentation of the final report at their premises. The employer will cater for its Engineers expenses and the contractor provides the venue and presentation materials. Upon satisfactory presentation to the Employer's Engineers, the Contractor shall then come to the Employers premises and present the final report to the Engineers and Management Team. The cost of this presentation shall be borne by the contractor. This shall be at the contractor's cost.

The final report shall be bound in A4 paper, hard back 4-ring type files in full colour and should include the name, diameter of the pipeline, the pipeline section, date and type of survey and volume number at the front page.

The final report shall have the following information.

- 1 Tool operational data
- 2 Pipe tally
- 3 List of anomalies
- 4 Summary and statistical data
- 5 Fully assessed feature sheets (defects)
- 6 Defect assessment methods
- 7 Corrosion growth rates calculations and projections
- 8 Fitness for Purpose assessment
- 9 Future use of the line and mitigating recommendations.

As a minimum, each table of anomaly report should have.

1. Log distance (Chainage)
2. Upstream girth weld distance
3. Length of pipe spool
4. Anomaly type
5. Anomaly/feature identification
6. Anomaly dimension
7. Orientation
8. Nominal t

9. Length of anomaly/feature
10. Width of anomaly/feature/d/t in %
11. Surface location (int/ext)
12. Benchmarks not more than 1.5 Kms from the anomaly.

7.2.1.3 Reporting Software

In addition to above information in hard copy, the Contractor shall supply two PC's and two Laptops and PC/Laptop based data interpretation and analysis software package capable of managing large and diverse quantity of inspection data. The software should be capable of presenting inspection data in textual as well as hi-resolution graphics format in the monitor screen and on print.

Such software shall have the facility to allow the Procuring entity to add its own data files of pipeline inspection records giving flexibility to data file merging record annotation and interactive analysis.

The software shall have the following as minimum:

- a. Menu driven command interface
- b. Icon driven report generation
- c. Pipeline reference window
- d. Text report window
- e. Pipeline inspection catalogue
- f. Pipeline zoom and pan
- g. Pipeline feature search and GO TO
- h. Pipeline segmentation
- i. Interactive report
- j. Print facility

In addition the software should have the capability to compare and display the significance of each detected defects to internationally acceptable formulas like ANSI B 31.4, (latest revision)

7.2.1.4 Hardware Requirement

The Procuring entity shall prefer the compatibility of the software for optimal performance in both a **Desktop and a Laptop Computers** having following **minimum** configuration:

Processor Type	:	Intel new version
Processor Speed	:	1.6 GHz each (minimum)
Optical Drive	:	DVD Multi-drive
HDD	:	500GB

Memory (RAM)	:	4GBMinimum
Graphics	:	1GB Graphic accelerator (or suitable)
Monitor	:	Truebrite, TFT
Input Device	:	optical mouse, Keyboard (standard)
OS	:	Current MS Windows or with Data management software
Interactive Package	:	Current MS Office

ERF= Estimated Repair Factor

In this listing discrimination shall be made between external and internal pipe wall defects.

- i. Mechanical Damage: All dents (plain dent as well as kinked dent) having depth greater than 2% of pipe diameter shall be detected, sized (depth to be given as a % of pipe O.D or in mm) and reported with distance from nearest reference point.
- ii. Metal loss defects in mechanically damaged area: All those spots where metal loss defect (s) are present on or near mechanically damaged area shall be identified and reported with respect to distance from nearest reference point.
- iii. Pipeline Tally: a computer listing of all pipeline features like scrapper traps, valves, bench markers, fixtures and fittings, length of each pipe with thickness, couplings, flanges, sleeving with length, castings pipes etc. designated by distance.
- iv. A listing of all abnormal pipe joints like pups used in lengths of 2 to 4 meters, heavy wall thickness sections pipe etc. designated by their length & distance from reference point.
- v. Detail including pictorial presentation of 5 pipe joints each upstream and downstream of all defects having metal loss greater than 0.4t showing distance from nearest above ground reference points.
- vi. Presence of metal loss defects along with mechanical damages like dents etc. shall be separately listed.

8.0 Inspection Tool Specifications

General Specifications of the Inspection Pigs

All pigs to be used must:

- a) Conform to the existing pipeline geometry as described in this document
- b) Be driven by the product at the stated flow rates/speeds
- c) Withstand temperature range 8-50°C
- d) Withstand the operating pressures 0-120bar
- e) Run through the bends undamaged
- f) Have a range to run in each section, 231 and 219 kms
- g) Have a provision for by pass flow should it be stuck

Specification for the High Resolution UT Tool

In addition to the general tool specifications highlighted above, tenderer shall submit the following data on the UT inspection tool specification:

- i. Nominal circumferential spacing of measuring sensors.
- ii. Dimensions of UT transducers and diameter of crystal.
- iii. Frequency of UT signal
- iv. Stand-off distance of UT transducers

Specification for The MFL Tool

The MFL tool must have the following:

- a) Run in the direction of flow propelled by the product
- b) Capacity to pick anomalies as follows:
 - i. Dents with and without metal loss
 - ii. Pipeline features (bends, valves, casings, welded repair shells,)
 - iii. Features of external corrosion
 - iv. Features of internal corrosion
 - v. Features of mill defects
 - vi. Buckle
 - vii. Arc strike
 - viii. Gouges
 - ix. Girth weld anomalies
 - x. Stress corrosion cracking
 - xi. Pipeline thickness
 - xii. Ferrous objects
 - xiii. Crack detection

The tenderer should submit detailed technical specification of the MFL tool he intends to use.

Geometry Tool Specification

This shall include but not limited to;

- a) Axial sampling frequency/distance

- b) Nominal circumferential spacing of measuring sensors or resolution of circumferential measurements
- c) Amount of circumferential not covered by sensors
- d) Minimum detectable deformation in depth, width and length
- e) Min/Max ovality measurement
- f) Number of sensors recorded continuously
- g) Presence and resolution of clock position indicator
- h) Location accuracy of the features with respect to the upstream girth weld, the upstream marker and the log distance.

Pipeline Grade Determination Tool Specification

The PGD tool shall be able to specify API 5L Steel grades and EN ISO 3183 Steel grades.

Standard Specifications shall include but not limited to:

- a) Accuracy of strength level measurement in pipe body of +/- 40MPa with a certainty of more than 75%
- b) Axial position accuracy from reference marker of 1:1000
- c) Number of sensors recorded continuously
- d) Presence and resolution of clock position indicator

The tenderer should submit detailed technical specification of the Geometry tool he intends to use.

The tenderer, after running the pigs, must be able to identify, analyse and size the following features/anomalies as a minimum requirement.

A) Pitting.

This is defined as metal loss of area less than $3t \times 3t$ (t=nominal wall thickness) affecting the surface area of the pipe (internal and external). The tenderer shall specify the size and depth of the pit as in the flow detection limit in Table I below.

B) General Corrosion

This is defined as metal loss of area greater than $3t \times 3t$ (t=nominal wall thickness) affecting the surface area of the pipe larger than pitting (internal and external). The tenderer shall specify the size and depth of the pit as in the flow detection limit in Table I below

C) Manufacture, Mill and Construction Damage

The contractor shall identify all mill and manufacturing flaws, damage that was caused prior to commissioning the pipeline such as gouges, dents and buckles. The Tenderer shall detail the capability of the vehicle and shall identify the configuration and extent of all such defects.

All pipeline girth welds and spiral weld (if possible longitudinal electric resistance seam weld) shall be identified and recorded. The tenderer, as per their inspection capability shall inspect and report all corrosion (External and/or Internal) in and across the girth weld and ERW longitudinal seam weld and associated Heat Affected Zone (HAZ), identify the extent of weld shadow or any crack like indications.

The tenderer shall clearly/adequately describe separately in the bid the principles (technologies) involved in the detection, location, sizing and reporting of corrosion (external or internal) in the girth welds/spiral welds and longitudinal seam weld seams manufactured by electric resistance welding (ERW) process.

The capability or otherwise to detect, locate, size and report corrosion (external or internal) on girth weld/spiral welds and longitudinal weld seams manufactured by electric resistance welding (ERW) process may, however, not be the sole reason warranting technical rejection of the bid.

Fittings and Attachments

The contractor should determine the nature, quantity and extent of all fittings and attachments.

Feature Accuracy

The variation of all external defects should be within 1 metre from the reference marker.

Circumferential Accuracy

The circumference accuracy shall be within +/- 15° of the circumference irrespective of diameter. All defects/features shall be referenced to the 12 O' clock position (top of pipe), in the upstream direction referenced from the first upstream direction referenced from the first upstream circumferential weld and in addition converted to kilometre point (KP) reference.

Flaw Detection Limits

The tenderer shall meet the minimum requirements as specified below for each segment to be surveyed as in the table below.

Table I- Flaw Detection Limits

Type of metal loss	Definition	Minimum sizing accuracy	Depth sizing accuracy	Length sizing accuracy	Width sizing accuracy
Pitting corrosion	$\leq 3t \times 3t$	$\pm 0.2t$	$\pm 0.2t$	$\pm 15\text{mm}$	$\pm 15\text{mm}$
General Corrosion	$\geq 3t \times 3t$	$\pm 0.1t$	$\pm 0.1t$	$\pm 20\text{mm}$	$\pm 20\text{mm}$
Axial grooving/gouging		$\pm 0.2t$	$\pm 0.2t$	$\pm 20\text{mm}$	$\pm 20\text{mm}$
Circumferential Grooving/gouging		$\pm 0.2t$	$\pm 0.2t$	$\pm 20\text{mm}$	$\pm 20\text{mm}$

The reported data as above shall be reliable and within the above limits.

Documentation

All written and verbal reports shall be communicated in the English language

The tenderer shall conduct an assessment of the inspection data, immediately following the inspection run, to establish completeness and quality of the inspection data collected. This should be performed on site by a purpose designed computer unit.

The contractor shall provide within fourteen (14) days of the completion of the pipeline inspection survey, a summary report to the owner, providing notification of any significant defects located for each pipeline.

The contractor shall provide six (6) copies each of the final report pertaining to CALIPER SURVEY, MFL SURVEY and UTCD SURVEY for each launcher to receiver section of the each pipeline. Report shall be submitted to the Owner's representative within 40 working days of the completion of the field activities for each launcher to receiver section. The contractor shall make available to the Owner's representative, qualified member of its technical staff on presentation of the report, in order to discuss and corroborate the technical contents.

Note: Separate report of caliper survey, MFL survey and UTCD survey to be submitted.

The final inspection report shall be a detailed presentation of the work program; results and conclusions shall be submitted in hardback A4 files, or four (4) ring binder type. The name, diameter and extremities of the pipeline, inclusive of date of survey and volume number, shall be printed on the front complete pipeline survey face and spine of the files. The file shall contain only the complete pipeline in the following format.

i) Introduction and Project Requirement

General introduction and project Aim.

ii) Pipeline Data

As supplied by the Owner

iii) Locations and Extremities of Survey

Any anomalies between the Owner's original job requirements and actual performed survey should be highlighted in this section.

iv) General Summary of Findings on the Pipeline

This shall include type of defects, locations of significant defects, whether located in weld, HAZ or parent pipe, distance from reference point etc. in the general summary, the first 25 numbers of most critical defects are to be listed.

Main Report Section

The main report section shall consist of the following format:

- a. Date Of Survey;
- b. Operator Name (s) and Identity;
- c. Instruments Used (Including Serial No's)
- d. Procedure and Technique Used In Survey
- e. Calibration; Search Parameters and Sensitivity
- f. Error Parameters;
- g. Method of Acquisition, Compilation and Analysis;
- h. A Written and Pictorial Report on the Survey Results in the Format which Section Shall Contain, As A Minimum, The Following:-

Pipe Tally

This should be a pipeline listing of ALL features and anomalies recorded during the pigging exercise from the set threshold. They should be tabulated and shall contain the following information in sequence.

- **Metal Loss Listing:** - A record of all reportable metal loss in actual dimensions of length, width and max. Depth showing distance from reference point and orientation and specifying whether internal/external to pipe wall.

- All metal loss defects shall further be segregated into separate lists for all pitting having depths greater than 0.4t and 8 more lists (For general corrosion) as per the defects severity levels given below:

1. Number of anomalies with depth 0-<10%t
2. Number of anomalies with depth 10-<20%t
3. Number of anomalies with depth 20-<30%t
4. Number of anomalies with depth 30-<40%t
5. Number of anomalies with depth 40-<50%t
6. Number of anomalies with depth 50-<60%t
7. Number of anomalies with depth 60-<70%t
8. Number of anomalies with depth 80-<90%t
9. Number of anomalies with depth 90-<100%t
10. Number of defects with ERF 0.6-<0.8
11. Number of defects with ERF 0.8-<0.9
12. Number of defects with ERF 0.-<1.0
13. Number of defects with ERF ≥ 1.0

The following histograms shall be provided for the entire pipe length;

1. Number of anomalies in 500m section with depth <0.4t
2. Number of anomalies in 500m section with depth 0.4t-<0.6t
3. Number of anomalies in 500m section with depth 0.6-<0.8t
4. Number of anomalies in 500m section with depth $\geq 0.8t$
5. Number of anomalies in 500m section with ERF 0.8- <1.0
6. Number of anomalies in 500m section with ERF ≥ 1.0

The following plots shall be provided;

- a. Sentenced plot including ERF=1 curve of anomaly length against metal-loss feature depth showing all anomalies for the predominant wall thickness
- b. Orientation plot of all anomalies over the full pipeline length
- c. Orientation plot of all internal anomalies over the full pipeline length
- d. Orientation plot of all external anomalies over the full pipeline length
- e. Orientation plot of all anomalies as a function of relative distance to the closest girth weld.

Summary and Statistical Report Of Geometry Tool

This shall contain a listing of the following;

- i. Total number of dents
- ii. Total number of ovalities
- iii. Number of dents with depth $2 < \text{depth} < 6\% \text{ID}$
- iv. Number of dents with depth $\geq 6\% \text{ID}$
- v. Number of ovalities with $0.10 > \text{ratio} < 0.05$
- vi. Number of ovalities with $\text{ratio} \geq 0.10$
- vii. Orientation plot of all dents over the full pipeline length.
- viii. Orientation plot of all ovalities over the full pipeline length

Severity Table

This shall be provided for at beginning with the most severe defect to the least severe defect. This will be categorised in sections of the pipeline and indications of the repair schedule.

All defects shall be listed following the following criteria. This will be for ease of defect location during repairs.

- a) Length of pipe spool and orientation of longitudinal seam at the start and end of every joint.
- b) Length and longitudinal seam orientation of the 3 upstream and 3 downstream neighbouring pipe joints.
- c) Log distance of the metal loss feature
- d) Wall thickness of the pipe joints. (up to the 3 upstream and 3 downstream pipe spools)
- e) Log distance of the features with location coordinates like tees, valves, makers, fixtures etc on the first three upstream joints.
- f) Distance of upstream girth weld to nearest, second and third upstream marker
- g) Distance of upstream girth weld to nearest, second and third downstream marker
- h) Distance of anomaly to upstream girth weld
- i) Distance of anomaly to downstream girth weld
- j) Orientation of the anomaly
- k) 11- Anomaly description and dimensions
- l) 12- Internal/external/mid-wall indication

Corrosion Growth Report

The contractor shall provide a corrosion growth report and analysis. This shall be by direct assessment and by simple methods as in API570 and 579. The report shall be clear to the owner who shall be able, with the data provided, calculate the corrosion growth at all times. The report should have, in the summary, a statement of the corrosion mitigation.

Fitness for Purpose Assessment

The contractor shall carry out a fitness for purpose analysis arising from the data collected and give all the parameters for future safe pipeline operation.

PIPELINE INTEGRITY MANAGEMENT SYSTEM AND INTEGRITY ASSESSMENT REPORTS

The Contractor shall a pipeline integrity management system and integrity assessment reports with the following functional and technical specifications:

- i. The vendor shall be able to provide an end-to-end solution including In-Line Inspection, integrity assessment reporting and cloud-based integrity management software platform.
- ii. The vendor shall provide integrity assessment reports such as Fitness for Service (FFS) , Corrosion Growth Analysis (CGA) via a cloud-based integrity management platform.
- iii. The cloud-based integrity management platform shall have functionality inside the software for the development of specific (as per industry standards) or operator specific integrity processes allowing to configure assessment methodologies supporting the creation, maintenance and tracking of integrity management plans.
- iv. The cloud-based integrity management platform shall be flexible to add data from different sources and different formats
- v. The cloud-based integrity management shall be accessible via web-browser independent from the location where the users are accessing from, and via desktop computers, laptops, or mobile devices.
- vi. The cloud-based integrity management shall allow operators to create custom dashboard for management overviews.
- vii. The cloud-based integrity management platform shall be highly-performant (e.g. in terms of stability and responsiveness) and shall have at least 90 % up time.
- viii. The software shall be compatible with the ESRI UPDM data model for storing the data.
- ix. The vendor shall provide technical support and consulting services for the cloud-based integrity management platform (via technical support helpdesk)
- x. The vendor should be able to provide data integration services for pipeline design, integrity and inspection data through the cloud platform.
- xi. The cloud-based platform should provide a centralized way to sign users to access its functionalities.
- xii. The vendor shall have an integrity engineering team in house and not via sub-contracting or joint ventures

DELIVERABLES FOR PIPELINE INTEGRITY MANAGEMENT SYSTEM (PIMS)

The supply of the PIMS shall entail the following deliverables:

- i. Cloud-based integrity management platform
- ii. Integrity management platform User Training
- iii. Technical support
- iv. Initial Data integration
- v. Delivery of Fitness for Service (FFS) and Corrosion Growth Analysis (CGA reports)
- vi. Additional services such as data integration among others.
*(Optional)

SECTION V:

SECTION VI: BILLS OF QUANTITIES

1.0 SCHEDULE OF PRICES

- 1.1 The following schedule of prices has been prepared for identifying the cost of the works to be undertaken for the contract and/or for part payment where necessary.
- 1.2 The contractor shall complete the schedule of prices in ink and the total price shall include for everything to be supplied, delivered and installed by the contractor.
- 1.3 The schedule of prices has been prepared based on two categories of work,
Namely:-
(i) - Preliminary (Lump sum) items
(ii) - Measured items

The prices given against categories (i) and (ii) shall be verified by the contractor as being totally inclusive of all activities required to complete the works in accordance with the contract and to the approval of the Engineer or Engineer's Representative.

No amendment to the unit rates, provided by the contractor, will be accepted by the employer for any increase or decrease in the amount of work executed for each item.

1.4 Preliminary Items

Item	Description	Unit	Qty	Rate (USD)	Amount (USD)
Part A: PRELIMINARY AND GENERAL ITEMS					
A1	Allow for Insurances, Guarantees and Licenses for the works.	Item	LS		
A2	Allow for mobilization of manpower, plant and equipment to site.	Item	LS		
A3	Allow for preparation and witnessing of tool pull-through test for MFL and PGD technology at the bidder's own premises (As per Section IV clause 3.0)	Item	LS		
A4	Allow for demobilization of manpower, plant and equipment from site.	Item	LS		
A5	Allow for Local Transport and Accommodation for self to carry-out all the works	Item	LS		
A6	Allow for any other Preliminary items not included above or elsewhere in the Schedule of Prices (to be completed by	Item	LS		

	the Contractor) (a)----- ----- (b)----- (c)----- ----- (d)----- -----				
E	TOTAL FOR ITEM 'A1-A6'				

1.5 Measurable Work Items

2.2 Measurable Work Items						
Item	Description	Unit	Qty	Rate (USD)	Amount (USD)	
Part B: TOOL RUNNING AND TRACKING						
B1	Allow for the relevant gauging, cleaning and tracking of profile vehicle runs. The Contractor shall ensure the line is adequately clean and ready to receive the Instrumented tool for:					
	Running the Gauging pig and tracking.					
	14-Inch Diameter Line-4					
	Section 1:PS21 to PS24-Running and Tracking gauging pig run.		No. of runs	1		
	Section 2:PS24 to PS27-Running and Tracking Gauging Pig		No. of runs	1		
	10-Inch Diameter Line - 6					
B2	Section 3:PS26 to PS28-Running and Tracking gauging pig run.		No. of runs	1		
	Running the Magnetic PIG					
	14-Inch Diameter Line-4					
	Section 1:PS21 to PS24-Running and tracking magnetic pig.		No. of runs	1		
	Section 2:PS24 to PS27-Running and tracking magnetic pig		No. of runs	1		
	10-Inch Diameter Line - 6					
B3	Section 3:PS26 to PS28-Running and tracking magnetic pig run.		No. of runs	1		
	Running the scraper PIG (1st Run)					
	14-Inch Diameter Line-4					
	Section 1:PS21 to PS24-Running and tracking first scrapper pig.		No. of runs	1		
	Section 2:PS24 to PS27-Running and tracking first scrapper pig.		No. of runs	1		
	10-Inch Diameter Line - 6					
B4	Section 3:PS26 to PS28-Running and tracking first scrapper pig.		No. of runs	1		
	Running the brush PIG (1st Run)					
	14-Inch Diameter Line-4					
	Section 1:PS21 to PS24-Running and tracking first brush pig.		No. of runs	1		

	Section 2:PS24 to PS27-Running and tracking first brush pig.	No.of runs	1		
	10-Inch Diameter Line - 6				
	Section 3:PS26 to PS28-Running and tracking first brush pig.	No. of runs	1		
B5	Running the scraper PIG (2nd Run)				
	14-Inch Diameter Line-4				
	Section 1:PS21 to PS24-Running and tracking second scrapper pig.	No. of runs	1		
	Section 2:PS24 to PS27-Running and tracking second scrapper pig.	No. of runs	1		
	10-Inch Diameter Line - 6				
	Section 3:PS26 to PS28-Running and tracking second scrapper pig.	No. of runs	1		
B6	Running the brush PIG (1st Run)				
	14-Inch Diameter Line-4				
	Section 1:PS21 to PS24-Running and tracking first brush pig.	No. of runs	1		
	Section 2:PS24 to PS27-Running and tracking first brush pig.	No. of runs	1		
	10-Inch Diameter Line - 6				
	Section 3:PS26 to PS28-Running and tracking first brush pig.	No. of runs	1		
B7	Running of Geometric Calliper Tool				
	14-Inch Diameter Line-4				
	Section 1: PS21 to PS24 - Running and tracking Geometric Calliper Pig	No. of runs	1		
	Section 2: PS24 to PS27 - Running and tracking Geometric Calliper Pig	No. of runs	1		
	10-Inch Diameter Line - 6				
	Section 3:PS26 to PS28-Running and tracking Geometric Calliper Pig	No. of runs	1		
B8	Running of Magnetic Flux Leakage (MFL) pig				
	14-Inch Diameter Line-4				
	Section 1: PS21 to PS24 - Running and tracking Programmed MFL Tool	No. of runs	1		
	Section 2: PS24 to PS27 - Running and Tracking Programmed MFL Tool	No. of runs	1		
	10-Inch Diameter Line - 6				
	Section 3:PS26 to PS28-Runnng and Tracking Programmed MFL Tool	No. of runs	1		
B9	Running the Ultrasonic Crack Detection-(UTCD)pig				
	10-Inch Diameter Line - 6				
	Section 3:PS26 to PS28-Runnng and Tracking Programmed UTCD Tool	No. of runs	1		
B10	Running the Pipeline Grade Determination (PGD) pig				
	14-Inch Diameter Line-4				

	Section 1: PS21 to PS24 - Running and tracking Programmed MPD Tool	No. of runs	1		
	Section 2: PS24 to PS27 - Running and Tracking Programmed MPD Tool	No. of runs	1		
F	TOTAL FOR ITEM 'B1-B9'				
Part C: DATA ANALYSIS, INSPECTION REPORT AND PIPELINE MANAGEMENT INFORMATION SYSTEM					
C1	Allow for data analysis and preparation of the pipeline inspection report as detailed in part 4	LS	LS		
C2	Allow for preparation of Fitness-For-Purpose (FFP) Assessment report	LS	LS		
C3	Allow for supply, configuration, installation in the cloud, training, testing and implementation of the Pipeline Integrity Management System (PIMS).	LS	LS		
C4	Allow for presentation and review of the report to the Employer's Engineers at the Contractor's premises and presentation of the final report at the Employer's Offices	LS	LS		
G	TOTAL FOR ITEM 'C1-C4'				
D1	Allow for Contingency sum USD 200,000.00 to be spent on approval of the Engineer for remedial measures to allow continued operation of the line at the original design pressure	LS	LS		
TOTAL FOR ITEM 'E+F+G+D1'					
VAT AT 16%					
OTHER APPLICABLE TAXES					
GRAND TOTAL					
To be carried to form of tender					

- **Note;** the form of tender must be filled and submitted with the financial proposal. Bidders who do not submit a completed form of tender will be non-responsive at financial evaluation stage.

SECTION VII: STANDARD FORMS

A TENDER QUESTIONNAIRE

Please fill in Block Letters.

1. Full names of Tenderer
.....
2. Full address of Tenderer to which tender correspondence is to be sent
(unless an agent has been appointed below)
.....
3. Telephone number (s) of Tenderer
.....
4. Telex address of Tenderer
.....
5. Name of Tenderer's representative to be contacted on matters of the
tender during the tender period
.....
6. Details of Tenderer's nominated agent (if any) to receive tender notices.
This is essential if the Tenderer does not have his registered address in
Kenya (name, address, telephone, telex)
.....
.....

Signature of Tenderer

Make copy and deliver to: Kenya Pipeline Company Ltd

B CONFIDENTIAL BUSINESS QUESTIONNAIRE

You are requested to give the particulars indicated in Part 1 and either Part 2 (a), 2 (b) or 2 (c) and 2 (d) whichever applies to your type of business.

You are advised that it is a serious offence to give false information on this Form.

Part 1 – General

Business Name

Location of business premises:

Country/Town.....

Plot No..... Street/Road

Postal Address..... Tel No.....

Nature of Business..... of

Current Trade Licence No..... Expiring date.....

Maximum value of business which you can handle at any time: Kshs

Name of your bankers.....

Branch.....

Part 2 (a) – Sole Proprietor

Your name in full..... Age.....

Nationality..... Country of Origin.....

*Citizenship details

Part 2 (b) – Partnership

Give details of partners as follows:

Name in full Nationality Citizenship Details Shares

1.....

2.....

3.....

Part 2(c) – Registered Company:

Private or public.....

State the nominal and issued capital of the Company-

Nominal Kshs.....

Issued Kshs.....

Give details of all directors as follows:

Name in full	Nationality	Citizenship Details*	Shares
1.....			
2.....			
3.....			
4.....			

Part 2(d) – Interest in the Firm:

Is there any person / persons in
(Name of Procuring entity) who has interest in this firm?
Yes/No..... (Delete as necessary)

I certify that the information given above is correct.

..... (Title) (Signature) (Date)
------------------	----------------------	-----------------

* Attach proof of citizenship

C LETTER OF NOTIFICATION OF AWARD

Kenya Pipeline Company Ltd,
Kenpipe Plaza, Sekondi Rd, Off Nanyuki Rd,
Industrial Area,
P. O. Box 73442 - 00200,
Nairobi, Kenya.

To: _____

RE: Tender No. _____

Tender Name: **Inline Inspection of 14-Inch Mombasa - Nairobi Multi-Product Pipeline**

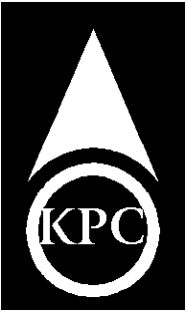
This is to notify that the contract/s stated below under the above mentioned tender have been awarded to you.

1. Please acknowledge receipt of this letter of notification signifying your acceptance.
2. The contract/contracts shall be signed by the parties within 30 days of the date of this letter but not earlier than 14 days from the date of the letter.
3. You may contact the Officer(s) whose particulars appear below on the subject matter of this letter of notification of award.

(FULL PARTICULARS) _____

SIGNED FOR KENYA PIPELINE COMPANY LTD

D LETTER OF ACCEPTANCE



_____ [date]

To:

[Name of the Contractor]

[Address of the Contractor]

Dear Sir,

This is to notify you that your Tender dated

For the **Inline Inspection of 14-Inch Mombasa - Nairobi Multi-Product Pipelines** for the Contract Price of Kshs _____ [amount in figures] [Kenya Shillings/USD/ (Any other currency)] _____ (amount in words) in accordance with the Instructions to Tenderer is hereby accepted.

You are hereby instructed to proceed with the execution of the said Works in accordance with the Contract documents.

Authorized Signature.....

Name _____ and _____ Title _____ of Signatory.....

Attachment: Agreement

E STATEMENT OF FOREIGN CURRENCY REQUIREMENTS

(See **Clause 60[5]** of the Conditions of Contract)

In the event of our Tender for the **Inline Inspection of 14-Inch Nairobi – Eldoret and 10-Inch Sinendet-Kisumu Multi-Product Pipelines** being accepted, we would require in accordance with **Clause 21** of the Conditions of Contract, which is attached hereto, the following percentage:

(Figures).....
(Words).....
.....

of the Contract Sum, to be paid in foreign currency.

Currency in which foreign exchange element is required:

.....

Date: The Day of 20.....

Enter 0% (zero per cent) if no payment will be made in foreign currency.

Maximum foreign currency requirement shall be _____ (per cent) of the Contract Sum, less Fluctuations.

(Signature of Tenderer)

I certify that the above mentioned is correct

.....
(Title) (Signature) (Date)

F DECLARATION FORM

Date _____

To: _____

The Tenderer i.e. (Name and Address) _____

_____ declare the following:

- a) Has not been debarred from participating in public procurement.
- b) Has not been involved in and will not be involved in corrupt and fraudulent practices regarding public procurement.

_____ Title Signature _____ Date _____

(To be signed by authorized representative and officially stamped)

G FORM OF AGREEMENT

THIS AGREEMENT, made the _____ day of _____ 20 _____ between Kenya Pipeline Company Ltd of Sekondi Rd, off Nanyuki Rd Industrial Area (hereinafter called “the Employer”) of the one part

AND

_____ of [or whose registered office is situated at] _____ (hereinafter called “the Contractor”) of the other part.

WHEREAS THE Employer is desirous that the Contractor executes the **In-Line Inspection of Nairobi-Eldoret Multi-Product Pipeline** (hereinafter called “the Works”) and the Employer has accepted the tender submitted by the Contractor for the execution and completion of such Works and the remedying of any defects therein for the Contract Price of Kshss _____ [Amount in figures], Kenya Shillings _____ [Amount in words].

NOW THIS AGREEMENT WITNESSETH as follows:

1. In this Agreement, words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract hereinafter referred to.
2. The following documents shall be deemed to form and shall be read and construed as part of this Agreement i.e.
 - (i) Letter of Acceptance
 - (ii) Form of Tender
 - (iii) Conditions of Contract Part I
 - (iv) Conditions of Contract Part II and Appendix to Conditions of Contract
 - (v) Specifications
 - (vi) Drawings
 - (vii) Priced Bills of Quantities
3. In consideration of the payments to be made by the Employer to the Contractor as hereinafter mentioned, the Contractor hereby covenants with the Employer to execute and complete the Works and remedy any

defects therein in conformity in all respects with the provisions of the Contract.

- The Employer hereby covenants to pay the Contractor in consideration of the execution and completion of the Works and the remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.

IN WITNESS

whereof the parties thereto have caused this Agreement to be executed the day and year first before written.

The _____ common _____ Seal _____ of

Was hereunto affixed in the presence of _____

Signed Sealed, and Delivered by the said _____

Binding _____ Signature _____ of _____ Employer

Binding _____ Signature _____ of _____ Contractor

In the presence of:

(i)Name _____

Address _____

Signature _____

(ii)Name _____

Address _____

Signature _____

H FORM OF TENDER SECURITY

WHEREAS..... (hereinafter called “the Tenderer”) has submitted his tender dated.....

.....the **In-Line Inspection of Nairobi-Eldoret Multi-Product Pipeline**

KNOW ALL PEOPLE by these presents that **WE** having our registered office at(hereinafter called “the Bank”), are bound unto Kenya Pipeline Company Limited (hereinafter called “the Employer”) in the sum of Kshss..... for which payment well and truly to be made to the said Employer, the Bank binds itself, its successors and assigns by these presents sealed with the Common Seal of the said Bank this Day of20.....

THE CONDITIONS of this obligation are:

- 1. If after tender opening the tenderer withdraws his tender during the period of tender validity specified in the instructions to tenderers

Or
- 2. If the tenderer, having been notified of the acceptance of his tender by the Employer during the period of tender validity:
 - (a) fails or refuses to execute the form of Agreement in accordance with the Instructions to Tenderers, if required; or
 - (b) fails or refuses to furnish the Performance Security, in accordance with the Instructions to Tenderers;
 - (c) rejects a correction of an arithmetic error in the tender.

We undertake to pay to the Employer up to the above amount upon receipt of his first written demand, without the Employer having to substantiate his demand, provided that in his demand the Employer will note that the amount claimed by him is due to him, owing to the occurrence of one or both of the two conditions, specifying the occurred condition or conditions.

This guarantee will remain in force up to and including thirty (30) days after the period of tender validity, and any demand in respect thereof should reach the Bank not later than the said date.

[Date]

[Signature of the Bank]

[Witness]

[Seal]

(Amend accordingly if provided by Insurance Company)

I PERFORMANCE BANK GUARANTEE

To: Kenya Pipeline Company Ltd

_____ (Date)

Kenpipe Plaza, Sekondi Rd off Nanyuki Rd, Industrial Area, P. O. Box 73342-00200 Nairobi

Dear Sir,

WHEREAS _____ (hereinafter called “the Contractor”) has undertaken, in pursuance of Contract No. _____ dated _____ to execute the **In-Line Inspection of Nairobi-Eldoret Multi-Product Pipeline;**

AND WHEREAS it has been stipulated by you in the said Contract that the Contractor shall furnish you with a Bank Guarantee by a recognised bank for the sum specified therein as security for compliance with his obligations in accordance with the Contract;

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee:

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Contractor, up to a total of Kshss. _____ (amount of Guarantee in figures) Kenya Shillings _____ (amount of Guarantee in words), and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of Kenya Shillings _____ (amount of Guarantee in words) as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand.

We further agree that no change, addition or other modification of the terms of the Contract or of the Works to be performed thereunder or of any of the Contract documents which may be made between you and the Contractor shall in any way release us from any liability under this Guarantee, and we hereby waive notice of any change, addition, or modification.

This guarantee shall be valid until the date of issue of the Certificate of Completion.

SIGNATURE AND SEAL OF THE GUARANTOR _____

Name of Bank _____

Address _____

Date _____

(Amend accordingly if provided by Insurance Company)

APPENDIX TO FORM OF TENDER

(This appendix forms part of the tender)

CONDITIONS OF CONTRACT	CLAUSE	AMOUNT
Tender Security (Bank Guarantee only)		USD10,000.00
Amount of Performance Security (Unconditional Bank Guarantee)	10.1	10% percent of Tender Sum in the form of Unconditional Bank Guarantee
Program to be submitted	14.1	Not later than 21 days after issuance of Order to Commence
Cashflow estimate to be submitted	14.3	Not later than 21 days after issuance of Order to Commence
Minimum amount of Third Party Insurance	23.2	Kshs 5,000,000
Period for commencement, from the Engineer's order to commence	41.1	14 days
Time for completion	43.1	15 months
Amount of liquidated damages	47.1	Kshs 50,000.00 per week
Limit of liquidated damages	47.1	Kshs 1,000,000.00
Defect Liability period	49.1	6 Months
Percentage of Retention	60.5	10% of Interim Payment Certificate
Limit of Retention Money	60.5	10% of Contract Price
Minimum amount of interim certificates	60.2	Kshs 2,000,000
Time within which payment to be made after Interim Payment Certificate signed by Engineer	60.8	30 days
Time within which payment to be made after Final Payment Certificate signed by Engineer	60.8	90 days
Appointer of Arbitrator	67(3)	Chief Justice of The Republic of Kenya
Notice to Employer and Engineer	68.2	The Kenya Pipeline Company Ltd, Sekondi Rd, off Nanyuki Rd, Industrial Area P. O. Box 73442 – 00200, Nairobi, Kenya. The Engineering Manager

	Kenya Pipeline Company Ltd, Sekondi Rd, off Nanyuki Rd, Industrial Area P. O. Box 73442 – 00200, Nairobi, Kenya.
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Signature of Tender..... Date.....

BASIC PIPELINE DATA FOR 14-INCH NAIROBI-ELDORET (LINE-4)

Pipeline : 325km Nairobi to Eldoret

Pipeline Constructors : CPP

Pipeline Commissioned : 2011

Pipe Specification : API 5L X52 (Not verified)

Mainline Welding Procedures : As per API 1104

Design Code : ANSI/ASME B31.4

Diameter : 14 inch (355.6mm)

BASIC PIPELINE DATA FOR 10-INCH SINENDET-KISUMU (LINE-6)

Pipeline : 122km Nairobi to Eldoret

Pipeline Constructors : CPP

Pipeline Commissioned : 2016

Pipe Specification : API 5L X52

Mainline Welding Procedures :As per API 1104

Design Code : ANSI/ASME B31.4

Diameter : 10 inch (254mm)

CERTIFICATE OF SITE VISIT

This is to certify thatof

Visited all sites as follows;

STATION	BIDDER REPRESENTATIVE NAME/ SIGNATURE / DATE	KPC REPRESENTATIVE SIGNATURE/ DATE	NAME/
PS 10 NAIROBI TERMINAL			
PS 24 NAKURU PUMP STATION			
PS 26 SINENDET			
PS 27 ELDORET DEPOT			
PS 28 KISUMU DEPOT			

to familiarise with the project requirements for **TENDER FOR IN-LINE INSPECTION OF 14-INCH NAIROBI-ELDORET (LINE -4) AND 10-INCH SINENDET-KISUMU (LINE - 6) MULTI-PRODUCT PIPELINES**

[Name of KPC Representative]

[Signature]

[Date]