

## ADDENDUM 1

15<sup>th</sup> December 2023

**PROPOSED FINANCE, DESIGN, CONSTRUCTION, COMMISSION AND OPERATION OF STUDENT ACCOMMODATION WITHIN NAIROBI RAILWAY CITY (SPP) PROVISION OF GENERAL INSURANCE BROKERAGE SERVICES FOR STANDARD GAUGE RAILWAY (SGR) ASSETS.**

**TENDER NO. KR/SCM/SPP/001/2023-2024**

Please take note of the following changes to the above tender;

S/N	Bidders Request/ Clause Reference	Clarification
1.	<b>Section 5. Evaluation and Qualification Criteria</b> <b>5.1 Evaluation of the Technical Proposal</b> Evaluation criteria	<b>The Evaluation Qualification Criteria</b> Attached Revised Evaluation of the Technical & Financial Proposal
2.	<b>Request for Geo-technical and Topographic survey</b> We request for a copy of the Geo-technical and topology survey	The Adjacent Site Geo-technical and Topographic survey is hereby attached. <b>Bidders should take note that the provided surveys were undertaken before demolitions at the identified site. Bidders may therefore undertake a Geo-technical and topographic survey at their cost before bidding.</b> <b>(Annex 1)</b>

3.	<p><b>Section 3. Instructions To Bidders: 3.8 Annex A - Appendix To Instructions To Bidders</b></p> <p><b>Pre-Bid conference :</b> - A Pre-Bid conference shall take place at the following date, time and place:  Date: 13<sup>th</sup> December 2023  Time: 1000Hours (EAT)  Place: Virtual Meeting or at Kenya Railways Headquarters.  Minutes of the pre-bid conference will be published on the following website: <a href="http://www.krc.co.ke/PPIP">www.krc.co.ke/PPIP</a>  Website</p>	<p><b>Other than the Pre-Bid conference</b> that took place on 13<sup>th</sup> December,2023 at KR headquarters another pre-bid conference is scheduled to take place as follow:-</p> <p>Date: <b>10<sup>th</sup> January 2024</b>  Time: <b>1000Hours (EAT)</b>  Place: <b>Kenya Railways Headquarters.</b>  Minutes of the pre-bid conference will be published on the following website: <a href="http://www.krc.co.ke/PPIP">www.krc.co.ke/PPIP</a>  Website</p>
4.	<p><b>Section 3. Instructions To Bidders: 3.8 Annex A - Appendix To Instructions To Bidders</b></p> <p><b>Tender Opening Date, time and venue</b></p> <p><b>Closing Dated: 5th January, 2024 at 1000Hours (EAT) at Kenya Railways Headquarters Block B Ground Floor</b></p>	<p><b>New tender Opening/Closing Date, time and venue</b></p> <p><b>Closing Dated: 26<sup>th</sup> January, 2024 at 1000Hours (EAT) at Kenya Railways Headquarters Block B Ground Floor</b></p>



Jane Vuligwa  
**Ag. General Manager - SCM**

**Annex 1 – Geo-technical & topographic survey**  
**Annex 2 – Railway city Master Plan**

## 5. EVALUATION AND QUALIFICATION CRITERIA (REVISED CRITERIA)

### 5.1 Evaluation of the Technical Proposal

Each Bidder shall submit a complete Technical Proposal, by duly completing the Bid forms provided in Part 3 of this document, for the Project. The Bidder shall not amend or change the Bid Forms, in any way whatsoever, other than for duly filling the required data. Any Bid which does include amendments or additions of whatsoever nature to the Bid Forms shall be rejected. All copies of original documents must be certified by a Commissioner of Oaths. This includes, without limitation, academic or professional certificates, financing agreements, certificates of occupation, and membership certificates required as part of the technical proposal. The Procuring Entity shall then consider the Technical Proposal of the Bids who have been found responsive. The Procuring Entity shall allocate scores for each criterion on the Table of Scores below. The Procuring Entity will evaluate the Technical Proposals of all Bids that will have passed the Preliminary examination for Determination of Responsiveness. The Procuring Entity will use the following criteria and scoring system as indicated in Table 1 below. This is to ensure that the Procuring Entity opens and considers Financial Proposals of proposals that meet the threshold score of the Technical Proposal.

#### Technical Proposal Evaluation

The Technical Proposal shall be evaluated and scored using a scale of 100% allocated according to the quality, thoroughness and credibility of the Technical Proposal elements as defined in Section 4 (Project Specifications and Requirements). The available total points and relative weights for these elements are presented in the Table 1 below:

**NB: Bidders who will attain a Technical score of 70% and above under each category in the Technical Evaluation shall proceed to the Financial Evaluation stage. Those who do not attain the score shall be considered non-responsive and shall not be considered for financial evaluation.**

The Technical marks shall have a weight of 60% in the overall combined score which will be calculated as below:

$$T_x = TS \times 60\%$$

Where:

TS is the Technical score obtained in Table 1 as a percentage; and

T<sub>x</sub> is the weighted Technical Score

#### Technical Evaluation Criteria

Table 1: Technical evaluation criteria summary

	Requirement	Max Score	Min
1.0	Relevant Previous Experience	40	70%

2.0	Team Composition (5)	20	70%
	Key Experts (7)		
	Financial capacity to deliver (8)		
3.0	ESG and CR	20	70%
4.0	Proposed method of delivery and operation	20	70%
	<b>Total Technical Score</b>	100	

### **Technical Evaluation Criteria**

	<b>Requirement</b>	<b>Max score</b>	<b>Marks</b>	<b>Notes</b>
<b>1.0</b>	<b>Relevant Previous Experience</b>	<b>40</b>		
a)	<p>Provide evidence of undertaking 5 multi-residential accommodation projects, (either ongoing or completed) within the last ten (10) years, each having more than 300 residential units. Evidence of design, construction and operation must be included e.g. submission of completion certificate, developer contract, lease agreement. Experience of student accommodation and within Sub-Saharan Africa is an added advantage.</p> <p>Include the project name, location, gross built area, number of rooms, and project value.</p>		35	<p>5 marks per project including marks for compliance with residential unit number threshold, and at least 2 out of design, construct and operate, date of project, sustainability. Marks awarded only if supporting evidence is provided.</p> <p>5 marks for 6 or more eligible projects.</p> <p>½ mark per project if student accommodation. ½ mark per project for location in Sub-Saharan Africa (up to 5 marks total).</p>
b)	Proof of experience in successfully undertaking at least 2 accredited		5	1 mark for each project presented with accreditation (IFC-EDGE, Green Star,

	sustainable/green-building projects from design, construction to commercial operation as lead developer within the last ten (10) years.			LEED, BREEAM, Green Key, etc) , with copy of certificate or for each project that meets all the technical requirements of green building stipulated in the National Building Code 2022 (up to maximum 5 marks)
<b>2.0(i)</b>	<b>Team Composition</b>	<b>5</b>		
a)	Project Team Organization chart for the project design, construction management, project management, sales and marketing, property management and others as required.		2	1 mark for inclusion of, as a minimum, Project Manager / Lead, Architect, Engineer, QS, Sustainability, property management.  1 mark for inclusion of ESG / sustainability firm/ individual
b)	Company profile for key firm(s) within the team demonstrating a minimum experience of <b>ten</b> years and above in handling housing projects of similar size.  Profiles of 4 firms within the team may be presented.  4 Maximum 2 pages per firm.		2	¼ mark for each firm with relevant experience of housing projects. ¼ mark for each firm demonstrating experience in design of 'green' buildings.
c)	Description of the role of each firm within the project team, including demonstration of compliance with Kenyan regulatory requirements..		1	1 mark for description of each firm's role.  Additional marks for including description of facility management, sales and marketing, ESG specialist, registered planner and registered environmental and social firm.
<b>2.0(ii)</b>	<b>Key Experts</b>	<b>7</b>		
a)	Bidders must provide CVs of key experts demonstrating a minimum of 10 years' experience in handling projects		7	1 mark per CV for more than 10 years' experience of projects of a similar nature. ½ mark per CV for projects

	<p>of a similar nature. CVs must be signed and accompanied with certified academic and professional practicing certificates where applicable.</p> <p>Up to 7 key experts' CVs to be provided.</p>			<p>in sub-Saharan Africa. ½ mark per CV for relevant certified certificates showing registration with the relevant professional body e.g. Architectural, engineering, quantity surveying. Registration with international bodies accepted.</p> <p>Set of CVs must include as a minimum:</p> <ul style="list-style-type: none"> <li>- Project lead</li> <li>- Architect</li> <li>- Structural engineer</li> <li>- Building services engineer</li> <li>- Sustainability expert (role may be covered by another party but with sustainability expertise highlighted in addition to core discipline)</li> <li>- Property management</li> <li>- Sales and marketing / end user interface</li> </ul>
<b>2.0(iii)</b>	<b>Financial capacity to deliver the project</b>	<b>8</b>		
a)	<p>Demonstrate how, within the last 10 years, as lead developer, the bidder has successfully raised at least KES 1.5 bn debt or equity for each of at least 2 similar projects. Provide evidence of how the financing arrangements were put in place taking into account</p>	6		<p>Any similar project:  Certificates for projects  KES 1.5'b+ = 6 mks each  KES 1'b&lt;x&lt;KES 1.5'b  = 3 mks each  x&lt; KES 1'b = 0 marks</p> <p>Up to an aggregate cap of 6 marks</p>

	sourcing of finance, time and quantum. The evidence will be in the form of bank confirmation letters, share subscription agreements or signed financing agreements.			
b)	Certified copies of audited financial statements showing a cumulative real estate turnover of at least KES 500 million for the last three (3) years.	2		Real estate turnover over the last 3 years: KES'500mn+ = 2 mks KES100m<x<KES500m = pro-rata X<100m = 0 mks
<b>3.0</b>	<b>ESG and CR</b>	<b>20</b>		
<b>3.1</b>	<b>Certification and Experience schedules</b>	<b>5</b>		Review qualifications by the bidder to illustrate capacity to meet the expected ESG and Climate resilience objectives of the student accommodation project.
a)	<u>Project team's Developer</u> to submit any certificate of ESG and/or sustainability development competence.		0.5	0.5 marks for any of these or equivalent certificates: — Certificate in ESG investing — A member of the International Association for Sustainable Economy — International Sustainable Business (ISB) Certificate — International Sustainable Finance ISF Certificate
b)	<u>Project team's Architect</u> to submit 1 A Carbon Footprint Analyst Course certificate or accredited professional in their team 2 An experience schedule of a suitably qualified energy/carbon modelling expert in their team Any certificates, memberships that show expertise in architectural environmental design		1.5	<ul style="list-style-type: none"> <li>• 0.5 marks for a carbon footprint certification</li> <li>• 0.5 marks for the experience schedule</li> <li>• 0.5 marks for environmental design certificates, membership, and expertise e.g., IFC-Edge, LEED, BREEAM, Green Star, Green Key certification etc</li> </ul>

c)	<p><u>Project team's Electrical Engineer</u> to submit</p> <ol style="list-style-type: none"> <li>1 An experience schedule in renewable energy modelling and installations</li> <li>2 Any Sustainable design and development certification</li> </ol>		1	0.5 marks for each submission
d)	<p><u>Project team's Structural and Civil Engineer</u> to submit</p> <ol style="list-style-type: none"> <li>1 An experience schedule in sustainable urban drainage systems</li> </ol> <p>Any Sustainable design and development certification</p>		1	0.5 marks for each submission
e)	<p><u>Project team's Mechanical Engineer</u> to submit</p> <ol style="list-style-type: none"> <li>1 An experience schedule in sustainable water &amp; sanitation management as well as sustainable mechanical installation</li> <li>2 Any Sustainable design and development certification</li> </ol>		1	0.5 marks for each submission
<b>3.2</b>	<b>Proposed conceptual design requirements</b>	<b>10</b>	Using the massing conceptual design and model bidders to demonstrate how the design complies with the ESG and Climate resilience requirements of the student accommodation as indicated in section 4.2 above	
a)	<p><u>Environmental sustainability</u></p> <p>Maximum 2-pages of illustrative descriptions of how the proposed design fulfils and upholds all the compulsory environmental sustainability requirements listed in section 4.2 above</p>		5	<p>0.3 marks each for illustration of the following:</p> <ul style="list-style-type: none"> <li>— Passive Site Layout design</li> <li>— Passive Built form and characteristics</li> <li>— Passive Façade design</li> <li>— Passive Building fabric specification</li> <li>— Passive Building use aspects</li> <li>— Appropriate daylighting quantity to all spaces</li> </ul>



				<p>Efficient night-time lighting quantity</p> <p>View out from all useable spaces</p> <p>Cross ventilation in all useable spaces</p> <p>Illustrate safe, inclusive, and accessible design</p> <p>Solar energy solutions</p> <p>A rainwater harvesting</p> <p>A greywater recycling and implementation plan</p> <p>Develop a site ecology and biodiversity enhancement strategy</p> <p>Low embodied carbon materials</p>
b)	<p><u>Social sustainability</u></p> <p>Maximum 2-pages of illustrative descriptions of how the proposed design fulfils and upholds all the compulsory social sustainability requirements listed in section 4.2 above</p>		1	<ul style="list-style-type: none"> <li>• 0.5 marks for rational room area sizes complemented by provision of social spaces</li> <li>• 0.5 marks for proposed responsible social practices during design</li> </ul>
c)	<p><u>Good Governance</u></p> <p>1 Project team Architect to provide a clear project sustainability brief that sets out all ESG/CR objectives and targets alongside the student housing spatial requirements stipulated in the Project Brief.</p> <p>2 Maximum 2-page descriptions of how the proposed design fulfils and upholds all the compulsory good governance requirements listed in section 4.2 above</p>		1	<ul style="list-style-type: none"> <li>• 0.5 marks for ESG/CR brief submission that is well articulated</li> <li>• 0.5 marks for well-articulated proposals to meet all compulsory good governance requirements listed in section 4.2 above</li> </ul>

d)	<u>Climate Resilience</u> 1 Maximum 1-page illustrative description of how the proposed design manages overheating risk 2 Maximum 1-page illustrative descriptions of how the proposed design manages water scarcity risk 3 Maximum 1-page illustrative descriptions of how the proposed design upholds Nairobi's liveability plans across maintaining urban food security, urban energy security and urban water security		3	1 mark for well-articulated overheating risk management plans 1 mark for well-articulated water scarcity risk management plans 1 mark for well-articulated livability management plans
3.3	<b>Experience through projects delivered</b>	5 (2.5 marks per project)	Bidders must present proof of experience in successfully undertaking at least 2 Sustainable Multi-residential tropical building design and construction to commercial operation. Using these, bidders are expected to demonstrate how they addressed the various ESG and Climate resilient objectives.	
A)	<u>Environmental sustainability</u> Bidders to include examples from case studies of projects they have undertaken to demonstrate how all the environmental sustainability minimum requirement objectives (section 4.2) were met		1.25	0.25 marks each for the following: <ul style="list-style-type: none"> <li>— Passive design strategies</li> <li>— Illustrate Solar energy solutions</li> <li>— A rainwater harvesting and greywater recycling and implementation plan</li> <li>— Develop a site ecology and biodiversity enhancement strategy</li> <li>— Low embodied carbon materials</li> </ul>
b)	<u>Social sustainability</u> Bidders to include examples from case studies of projects they have		0.25	0.25 marks for well-articulated socially responsible design.

	undertaken to demonstrate socially responsible design deliverables			
c)	<u>Good Governance</u> Bidders to include examples from case studies of projects they have undertaken to demonstrate good governance aspects they have addressed in their prior projects		0.25	0.25 marks for illustrating good governance at project Design stage, at project construction phase, at project completion and handover and project operational phases
d)	<u>Climate Resilience</u> Bidders to include examples from case studies of projects they have Designed to manage the impact of climate change by anticipating and comprehensively managing the increasing temperatures, water scarcity and flooding risks.		0.75	0.25 marks for overheating risk management 0.25 marks for flooding risk management 0.25 marks for water scarcity management
<b>4.</b>	<b>Proposed method of delivery and operation</b>	<b>20</b>		
a)	Bidders must describe their proposed method of delivery including contractor procurement, construction monitoring and quality assurance, operating model and facilities management to demonstrate that quality outcomes are delivered and maintained throughout the project lifecycle.		4	Up to 2 marks for narrative on methodology, considering all stages of the project. Up to 2 marks for narrative on quality outcomes.
b)	Bidders must provide a narrative describing broad massing and architectural concepts which govern the proposal for the site layout and building design. The narrative should also describe any details of the design including comments on materials and finishes, taking into account local supply chains and desire for low maintenance.		5	Up to 3 marks for massing and architectural concept compliance with brief (e.g. ground coverage and plot ratio, relationship with urban realm). Up to 2 marks for narrative on materials and supply chain.

c)	Bidders must describe their proposed approach to health and safety at all stages of the project.  Certification related to health and safety accreditation, relevant to the project, is an added advantage.		2	marks for narrative approach. 1 mark for certification
d)	Bidders must describe their proposed approach to quality control at all stages of the project.  Certification related to quality assurance relevant to the project is an added advantage.		2	1 marks for narrative approach. 1 marks for certification.
e)	Bidders must describe their proposed approach to risk management at all stages of the project.		2	2 marks for narrative approach.
f)	Bidders must provide a project programme from Contract signing through to operation in the form of a Gantt chart.		5	Programme less than 10 months or greater than 30 months = 0 marks Programme within 18-24 months 3 marks Extent of detail given in programme (e.g. indication of approval time, critical path identification, inclusion of marketing and 'sales') = up to 2 additional marks
<b>Total Technical Score</b>		<b>100</b>		

A proposal shall be rejected at this stage if it does not respond to important aspects of the Project Specifications and Requirements or if it fails to achieve the minimum technical score of 70% under each category.

## **5.2 Evaluation of the Financial Proposal:**

Each Bidder shall submit a complete financial proposal, by duly completing the Financial Bid forms provided in Part 3 of this document, for the Project. The Bidder shall not amend or change the Financial Bid Forms, in any way whatsoever, other than for duly filling the required data. Any Bid which does include amendments or additions of whatsoever nature to the Financial Bid Forms shall be rejected.

The Financial Proposal shall comprise the following documents:

<b>Constituent Parts of the Financial Proposal</b>	
<b>Financial Proposal</b>	The Proposed Consideration to be offered to Kenya Railways in accordance with Section 4.3 – Financial Bid Form 1.
	The Proposed Rental Rates in accordance with Section 4.3 – Financial Bid Form 2.
	The Financial Model in accordance with Section 4.3 – Financial Bid Form 3
	The Proposed Marketing Plan in accordance with Section 4.3 – Financial Bid Form 4.

The Bidder shall submit the above-mentioned documents in accordance with the following conditions and instructions.

### **Financial Proposal Envelope**

The Financial Bid (Forms 1, 2, 3, and 4) shall be enclosed in separate envelopes with the following inscription: "Financial Proposal". All the Financial Bid envelopes for the Project shall then be enclosed in the Financial Bid Envelope in accordance with the Instructions to Bidders 3.4.1 of this Bid Document.

### **Financial Proposal Basic Conditions**

- i. Any Financial Proposal including any basis or conditions of the Financial Proposal or any additional document of whatsoever nature other than those required under Section 5 of this Bid Document shall be rejected.
- ii. Any Financial Proposal including any conditions, provisions, restrictions, basis of Financial Proposal calculations or assumptions of whatsoever nature presented in any form shall be rejected.
- iii. Any Financial Proposal including any alterations, amendments or changes in the Financial Bid Forms 1, 2, 3, or 4 other than filling these forms as indicated, shall be rejected.
- iv. In the event of any discrepancy between words and figures in the Financial Bid Forms, the amounts indicated in words shall prevail.



## Financial Score Summary

The Financial Proposal shall be evaluated and scored using a scale of 100% allocated according to each of the elements of the Financial Proposal elements as described below:

- i. Proposed Consideration as provided by the Bidder in Section 5 – Financial Bid Form 1 (60%)
- ii. Proposed room rent rate as provided by the Bidder in Section 5 – Financial Bid Form 2 (20%)
- iii. Financial Model assumptions as provided by the Bidder in Section 5- Financial Bid Form 3. (10%)
- iv. Proposed Marketing Plan as provided by the Bidder in Section 5 – Financial Bid Form 4 (10%)

Bidders must attain a financial score of 70% and above under each category in the Financial Evaluation.

**Table 2: Financial Score Summary**

Evaluation Attributes	Weighting % (Z)	Score (Y)	Minimum Score (Z*Y)	Bidders Score (Z*Y)
Proposed Consideration	60	/30 points	70%	
Proposed Room Rental Rate	20	/10 points	70%	
Financial Model	10	/40 points	70%	
Marketing Plan	10	/20 points	70%	
<b>Total Score</b>	<b>100</b>			

## Financial Evaluation Criteria

### Proposed Consideration- 30 points maximum

Proposed Consideration payable to Kenya Railways		
Parameter	Minimum	Scores
Stand premium	KES 150mn	Highest offer gets 10 mks Lower offers get [offer/highest offer x 10mks]
Annual Ground rent	KES 60mn	Highest offer gets 10 mks Lower offers get [offer/highest offer x 10 mks]
The PV of the future payment made to KR	KES 0mn	Highest PV for Kenya Railways gets 10 mks

		Lower PVs get $[PV/Highest\ NPV \times 10\ mks]$
<b>Total</b>		<b>30 marks</b>

### Proposed Room Rental Rate- 10 points maximum

Bidders with the highest proposed average rental rate (inclusive of service charge, exclusive of utilities) within the acceptable range will attain the full 10 points. Other bidders within the acceptable range will be allocated points on a pro-rata basis (proposed room rental rate/ highest room rental rate within the acceptable range x 10 points). Bidders with rental rates that are not within the acceptable range will get 0 points.

Steps to determine the acceptable range and eliminate outliers:

- i. The Bidder will provide in Financial Bid Form 2 the proposed room rental rate per bed per proposed room typology at the start of project operations and calculate the average monthly rent for year 1 of operations.
- ii. The average room rental rate proposed by each bidder will be listed in descending order and the median rent will be determined
- iii. The upper boundary of acceptable bids shall be calculated as rents 50% higher than the median rent (1.5 x median rent)
- iv. The lower boundary of acceptable bids shall be calculated as the higher of KES 10,000 per month or rents 50% lower than the median rent (0.5 x median rent)
- v. Rents above the upper boundary or below the lower boundary will be allocated 0 points.

### Financial Model- 40 points maximum

- a. Demonstration of unit typologies and rental rates (5 points)
- b. Demonstration of all applicable project's costs including but not limited to design, surveys and approvals, construction costs, and financing costs (5 points)
- c. Demonstration of rental revenue, occupancy rates, operating expenses and net operating income (10 points)
- d. Demonstration of consideration to be paid to Kenya Railways comprising the Stand Premium, KR's Annual Rent and Revenue Share (10 points)
- e. Identification and demonstration of financing structure (5 points)
- f. Scenario analysis demonstrating alternative value-creating parameters (5 points)

### Marketing Plan – 20 Points Maximum

The marketing plan shall be evaluated as follows:

- a. Defining the target market for the PBSA units (4 points).

- b. Product awareness campaign and timing of the launch (4 points).
- c. Process and timelines to achieving full occupancy (2 points).
- d. Geographic scope of the marketing plan to reach target markets (2 points).
- e. Scope for partnerships in the marketing plan (4 points).
- f. Strategy to manage student churn rate (4 points).

**Financial Marks shall have an overall weight of 40% in the overall combined score.**

$$F_x = FS \times 40\%$$

Where:

FS is the Financial score obtained in Table 2; and

$F_x$  is the weighted average Financial Score

$$\text{Overall Combined Score} = T_x + F_x$$

**The Bidder who shall have attained the highest overall combined score shall be the Successful Bidder.**