



COUNTY GOVERNMENT OF HOMA BAY
DEPARTMENT OF LANDS, PYHICAL PLANNING,
HOUSING AND URBAN DEVELOPMENT
P. O. BOX 459-40300, HOMA BAY



REPUBLIC OF KENYA

HOMA BAY COUNTY

Ref.No. HBC/LPPHUD/KISIP/1/24/VOL.1(1)

Date: February 2, 2024

TENDER CLARIFICATION

Attn.: All Prospective Bidders

RE: CLARITY ON SUB-CLAUSE 14.1 OF THE GENERAL CONDITION OF THE CONTRACT AND ITEM D OF THE GRAND SUMMARY PAGE IN THE BQ

With respect to the aforementioned subject matter, we wish to clarify to the interested and prospective bidders as inquired by a concerned bidder.

TENDER NUMBER	TENDER DESCRIPTION
RFB No.: KE-HOMABAY COUNT-400642-CW-RFB	CONTRACT FOR CONSTRUCTION OF ROADS, FOOTPATHS, STORM WATER DRAINAGE, PUBLIC LIGHTING, WATER & SANITATION, AND SOCIAL AMENITIES WORKS FOR MAKONGENI, SHAURI YAKO, SOFIA, A THOUSAND STREET, NYANDIWA AND RUSINGA OLD TOWN HOMABAY COUNTY SETTLEMENTS' INFRASTRUCTURE IMPROVEMENT WORKS IN ONE (1) CONTRACT [PHASE 1]

QUESTIONS

We are writing to seek clarifications on the tender documents of this Second Kenya Informal Settlement Improvement Project (KISIP 2) for Homabay under RFB No. KE-HOMABAY COUNTY-400642-CW-RFB:

1. In General Conditions of Contract Sub-Clause 14.1 [The Contract Price], two alternative texts are added to the end of this sub-clause. Kindly clarify which alternative (Alternative 1 or Alternative 2) is applicable to this sub-clause.
2. Item D of the Grand Summary page in the BQ says: 16% VAT (To be paid directly to KRA). Within our knowledge, it is not a common practice for 16% VAT to be paid directly to KRA. Kindly clarify whether this project is exempted from duties and taxes. If not, the Employer is supposed to pay the VAT amount to the contractor.

CLARIFICATIONS/ANSWERS

Thank you for your inquiries regarding the Second Kenya Informal Settlement Improvement Project (KISIP 2) for Homabay under RFB No. KE-HOMABAY COUNTY-400642-CW-RFB.

1. Regarding General Conditions of Contract Sub-Clause 14.1 [The Contract Price], we confirm that Alternative 2 is applicable to this sub-clause.
2. Concerning Item D of the Grand Summary page in the BQ stating 16% VAT (To be paid directly to KRA), we would like to clarify that the project is not tax-exempt. The mention of paying VAT directly to Kenya Revenue Authority (KRA) is in line with tax regulations. It is a common practice in projects subject to VAT, and it ensures compliance with tax laws.

It is essential to note that the project is not exempted from duties and taxes, and adherence to the stated payment process is crucial. Payment of VAT directly to KRA aligns with regulatory requirements and contributes to the proper functioning of tax procedures.

Should you have any further queries or require additional clarifications, please feel free to reach out.

Mr. Peter Odiango



Copy to;

- Chief Officer, Department of Housing and Urban Development
County Government of Homa Bay