



Transforming Urban Mobility

Kenya Urban Roads Authority

Barabara Plaza Mazao Road, Off Airport South Road

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Ref: KURA/EO/SCM/3VOL.33(110)

Date: 4th December 2024

To All Bidders,

ESTABLISHMENT OF BUS RAPID TRANSIT LINE 5 PROJECT TENDER NO. KURA/DEV/HQ/384/2024-2025

TENDER CLARIFICATIONS NO.5

Reference is made to the captioned Tender.

Pursuant to Clause 7 of the Instructions to Bidders, the following is the response to the requests/clarifications sought by Bidders;

S/No	Subject	Clarification sought	Response
1.	Taxes	Why is it that the bid is structured to be inclusive of 16% VAT where the Employer remits 2% VAT to the tax Authority against the PIN of the contractor while the balance (14%) is paid to the account of the contractor and they account for it directly to the Tax Authority.	<p>The Value Added Tax Act 2013 has Regulations issued from time to time to review or update various mechanisms of its implementation.</p> <p>The Kenya Revenue Authority appoints withholding Tax Agents who are to deduct and remit withholding Tax at the stated rates as per the applicable act or Tax regulations. Kenya Urban Roads Authority is appointed as a Tax Agent and is thus required to deduct and remit 2% VAT to the Tax Authority.</p> <p>Upon application of the input-output mechanism on the VAT, the balance due is to be remitted by the contractor (from the 14% VAT paid to them) or if a refund is due then the Tax Authority refunds as may be applicable.</p>
2.	Bidding Forms (i) Experience	What appropriate bidding form can be used for General Construction Experience Form EXP-2(a) or Form EXP -1?	Form EXP-1 shall be used in for General Construction Experience.

	(ii)Eligible Countries	Is the Local Currency Portion amount of USD 34.282 Million based on the Grand Total after inclusion of the VAT?	The local currency amount of USD 34.282 Million shall be based on Subtotal A in line with the loan agreement before including the Contingencies and VAT (This is based on the loan agreement. See the attached image).
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The Bid submission and opening dates remains on **13th December 2024 at 11.00 AM.**

Yours faithfully,


Saadia Haji Adan Khalif
For: DIRECTOR GENERAL