



**Tender for Supply, Delivery, Installation, Customization, Commissioning and
Equipping of a Commodities Exchange Trading Technology Suite with
Operations and Maintenance Support for KOMEX**

Tender Ref. No. KOMEX/TTS/001/2023-2024

Chief Executive Officer

Kenya National Multi Commodities Exchange Limited (KOMEX)
P.O. Box 30430-00100
NAIROBI - KENYA

**STATE DEPARTMENT OF TRADE
MINISTRY OF INVESTMENTS, TRADE AND INDUSTRY**

Tender Issue Date: Wednesday 1st November, 2023

Tender Closing Date & Time: Friday 10th November 2023 at 11.00am, East African Time
(EAT)

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INTRODUCTION

The Kenya National Multi Commodities Exchange Limited (KOMEX) is a Financial State Corporation under the State Department for Trade, Ministry of Investments, Trade and Industry. KOMEX is incorporated as a company limited by shares and was established to address market access challenges and structural inefficiencies, price stabilization, and information asymmetry in Kenya's agricultural and non-agricultural supply chains and value chains.

KOMEX is mandated to implement the KOMEX Project which involves developing, managing and operating a structured market and technology driven Multi-Commodities Exchange Ecosystem to facilitate and support local, import and export trade in securitized commodities and their derivatives. The KOMEX Project is a Strategic Government Priority Project under the Kenya Kwanza Bottom-up Economic Transformation Agenda (BETA) Plan and is part of the Northern Corridor Infrastructure Projects under the East African Community (EAC).

The Government of Kenya (GoK) is operationalizing KOMEX in collaboration with the private sector and development partners to modernize and formalize primary and secondary commodity markets for farmers, primary cooperatives and non-agricultural commodity producers. KOMEX will facilitate access to tested and quality assured primary and value added commodities for individual and institutional buyers, processors and manufacturers. It will also create and support linkages with: warehouse operators; collateral managers, quality inspection; clearing & settlement banks; trade finance; insurance; transport; and, logistics.

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SECTION I - INVITATION TO TENDER

TENDER REF. NO. **KOMEX/TTS/001/2023-2024**

TENDER NAME: **Tender for Supply, Delivery, Installation, Customization,
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1. The Kenya National Multi Commodities Exchange Limited (KOMEX) is a financial Corporation established as a Private Company limited by Shares under the Companies Act, 2015, Laws of Kenya with the National Treasury and the Nairobi Securities Exchange PLC (NSE) as founding shareholders. Executive Order No. 1 of 2023 placed KOMEX under the State Department for Trade, Ministry of Investments, Trade and Industry.
2. KOMEX is mandated to develop, manage and operate an Online Multi-Commodities Exchange Trading Platform and a supporting Eco-system to enable and facilitate structured trading in asset backed securitised multi-commodities under the Warehouse Receipt System. KOMEX is regulated under the Capital Markets Act Cap 485A of 2019 and the Capital Markets (Commodity Markets) Regulations, 2020. The key objective of the KOMEX Project is to provide regulated access to structured trading of multi-commodities, market information, domestic and international markets, trade finance and trade support services for Sector Regulators and Value Chain Actors (farmers/producers, aggregators, traders, consumers and processors).
3. Interested eligible candidates may view and downloaded a complete set of tender documents free of charge from the KOMEX's website www.komex.co.ke or State Department for Trade's website www.trade.go.ke or Public Procurement Information Portal www.tenders.go.ke
4. All tenderers shall chronologically serialize all pages of the tender documents submitted including any attachments.
5. Prices quoted should be inclusive of all taxes and must be in Kenya Shillings and should remain valid for 120 days after date of tender opening.
6. Two sets of completed tender documents and supporting documentation are to be enclosed in plain sealed envelopes, clearly marked as "Original" and "Copy" respectively quoting tender name and number on outer cover and addressed to the Chief Executive Officer, Kenya National Multi Commodities Exchange Limited, 1st Floor, KIBT Complex, Ojijo Road, Parklands, P.O. Box 30430-00100, Nairobi - Kenya, and be dropped in the tender box on the 2nd Floor of the building on or before Friday 10th November 2023, 11.00 am EAT. In addition, tenderers shall submit an electronic copy of the physically submitted bid on email to komexkenya2019@gmail.co.ke by the submission deadline.
7. Tenders will be opened immediately thereafter at the 4th floor conference room in the presence of the tenderers or their representatives who choose to attend.
8. Any addendums or clarifications in respect to this tender shall be posted on website www.komex.co.ke and website www.trade.go.ke and www.tenders.go.ke. Bidders are advised to regularly check the websites during the bidding period. For any enquiries or clarifications, contact: Procurement Office, KOMEX, Tel: +254-(0) 20-315001/2-4, Email: komexkenya2019@gmail.co.ke

Chief Executive Officer

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SECTION II INSTRUCTIONS TO TENDERERS

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SECTION II INSTRUCTIONS TO TENDERERS

1. Eligible Tenderers

- 1.1. This invitation for Tenders is open to all tenderers eligible as described in the Appendix to Instructions to Tenderers. Successful tenderers shall complete the supply, install and commissioning of the equipment by the intended completion date specified in the tender documents.
- 1.2. The procuring entity's employees, committee members, board members and their relatives (spouse and children) are not eligible to participate in the tender unless where specially allowed under section 131 of the Act.
- 1.3. Tenderers shall provide the qualification information statement that the tenderer (including all members of a joint venture and sub-contractors) is not associated, or have been associated in the past, directly or indirectly, with a firm or any of its affiliates which have been engaged by the Procuring entity to provide consulting services for the preparation of the design, specifications, and other documents to be used for the procurement of the goods under this Invitation for tenders.
- 1.4. Tenderers involved in corrupt or fraudulent practices or debarred from participating in public procurement shall not be eligible.

2. Eligible Equipment

- 2.1. All equipment to be supplied and installed under the contract shall have their origin in eligible source countries.
- 2.2. For purposes of this clause, "origin" means the place where the equipment(s) are produced. Goods are produced when, through manufacturing, processing, or substantial and major assembly of components, a commercially-recognized product results that is substantially different in basic characteristics or in purpose or utility from its components.
- 2.3. The origin of equipment is distinct from the nationality of the tenderer and shall be treated thus in the evaluation of the tender.

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3. Cost of Tendering

- 3.1. The Tenderer shall bear all costs associated with the preparation and submission of its tender, and the procuring entity, will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the tendering process.
- 3.2. The price to be charged for the tender document shall not exceed Ksh s. 5,000.00.
- 3.3. The procuring entity shall allow the tenderer to review the tender document free of charge before purchase.

4. Contents of Tender Document

- 4.1. The tender document comprises the documents listed below and addenda issued in accordance with clause 2.6 of these instructions to tenderers:
 - a) Invitation to Tender
 - b) Instructions to Tenderers
 - c) General Conditions of Contract
 - d) Specific Conditions of Contract
 - e) Schedule of requirements
 - f) Technical specifications
 - g) Tender Form and Price schedules
 - h) Tender Security Form
 - i) Contract Form
 - j) Performance Security Form
 - k) Bank Guarantee for Advance Payment Form
 - l) Manufacturer's Authorization Form
 - m) Confidential Business Questionnaire Form
 - n) Declaration Form
 - o) Request for Review Form
- 4.2. The Tenderer is expected to examine all instructions, forms, terms, and specifications in the tender documents. Failure to furnish all information required by the tender documents or to submit a tender not substantially responsive to the tender documents in every respect will be at the tenderers risk and may result in the rejection of its tender.

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5. Clarification of Tender Documents

- 5.1. A prospective tenderer making inquiries of the tender documents may notify the Procuring entity in writing or by post at the entity's address indicated in the invitation for tenders. The Procuring entity will respond in writing to any request for clarification of the tender documents, which it receives not later than Seven (7) days prior to the deadline for the submission of tenders, prescribed by the procuring entity. Written copies of the Procuring entities response (including an explanation of the query but without identifying the source of inquiry) will be sent to all prospective tenderers that have received the tender document.
- 5.2. 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.

6. Amendment of Tender Documents

- 6.1. At any time prior to the deadline for submission of tender, the procuring entity, for any reason, whether at its own initiative or in response to a clarification requested by a prospective tenderer, may modify the tender documents by issuing an addendum.
- 6.2. All prospective tenderers that have obtained the tender documents will be notified of the amendment in writing or by post and will be binding on them.
- 6.3. In order to allow prospective tenderers reasonable time in which to take the amendment into account in preparing their tenders, the Procuring entity, at its discretion, may extend the deadline for the submission of tenders.

7. Language of Tender

- 7.1. The tender prepared by the tenderer, as well as all correspondence and documents relating to the tender exchange by the tenderer and the Procuring entity, shall be written in English language, provided that any printed literature furnished by the tenderer may be written in another language provided they are accompanied by an accurate English translation of the relevant passages in which case, for purposes of interpretation of the tender, the English translation shall govern.

8. Documents comprising the Tender

- 8.1. The tender prepared by the tenderers shall comprise the following components.
 - a) A Tender Form and a Price Schedule completed in accordance with paragraph 2.9, 2.10 and 2.11 below.

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- b) Documentary evidence established in accordance with paragraph 2.12 that the tenderer is eligible to tender and is qualified to perform the contract if its tender is accepted.
- c) Documentary evidence established in accordance with paragraph 2.13 that the goods and ancillary services to be supplied by the tenderer are eligible goods and services and conform to the tender documents; and
- d) Tender security furnished in accordance with paragraph 2.14
- e) Confidential Business Questionnaire.

9. Tender Form

- 9.1. The tenderer shall complete the Form of Tender and the appropriate Price Schedule furnished in the tender documents, indicating the equipment to be supplied, installed and commissioned and a brief description of the equipment, their country of origin, quantity, and prices.

10. Tender Prices

- 10.1. The tenderer shall indicate on the appropriate Price Schedule the unit prices where applicable and total tender price of the equipment and installation it proposes to supply under the contract.
- 10.2. Prices indicated on the Price Schedule shall be entered separately in the following manner:
 - a) The price of the equipment quoted EXW (ex works, ex factory, ex warehouse, ex showroom, or off-the-shelf, as applicable), including all customs duties and sales and other taxes already paid or payable.
 - b) Charges for inland transportation, insurance, and other local costs incidental to delivery of the goods to their final destination; and
 - c) Installation charges shall also be indicated separately for each equipment.
- 10.3. Prices quoted by the tender shall remain fixed during the Tender's performance of the contract. A tender submitted with an adjustable price quotation will be treated as non-responsive and will be rejected, pursuant to paragraph 2.22 unless otherwise agreed by the parties.

11. Tender Currencies

- 11.1. Prices shall be quoted in the following currencies:
 - a) For equipment that the tenderer will supply from within or outside Kenya, the prices shall be quoted in Kenya Shillings;
 - b) Cost of installation, customization, integration, testing, training, commissioning and annual maintenance will be in Kenya Shillings;

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- c) Cost of annual or one-off license fees will be in Kenya Shillings;
- d) Reimbursable project implementation expenses will be in Kenya Shillings;
- e) Member Registration Support Fees will be in Kenya Shillings; and
- f) Software Systems Support Services Fees will be in Kenya Shillings.

12. Tenderers Eligibility and Qualifications

- 12.1. Pursuant to paragraph 2.1, the tenderers shall furnish, as part of its tender, documents establishing the tenderers eligibility to tender and its qualifications to perform the contract if its tender is accepted.
- 12.2. The documentary evidence of the tenderers eligibility to tender shall establish to the Procuring entity's satisfaction that the tenderer, at the time of submission of its tender, is from an eligible source country as defined under paragraph 2.1.
- 12.3. The documentary evidence of the tenderers qualifications to perform the contract if its tender is accepted shall establish to the Procuring entity's satisfaction;
 - a) that, in the case of a tenderer offering to supply equipment under the contract which the tenderer did not manufacture or otherwise produce, the tenderer has been duly authorized by the equipment, manufacturer or producer to supply the equipment.
 - b) that the tenderer has the financial, technical, and production capability necessary to perform the contract;
 - c) that, in the case of a tenderer not doing business within Kenya, the tenderer is or will be (if awarded the contract) represented by an Agent in Kenya equipped, and able to carry out the Tenderer's maintenance, repair, and spare parts-stocking obligations prescribed in the condition of contract and/or Technical Specifications.

13. Goods Eligibility and Conformity to Tender Document

- 13.1. Pursuant paragraph 2.2 of this section, the tenderer shall furnish, as part of its tender documents establishing the eligibility and conformity to the tender documents of all equipment which the tenderer proposes to supply under the contract.
- 13.2. The documentary evidence of the eligibility of the goods shall consist of statement in the Price Schedule of the country of origin of the goods and services offered which shall be confirmed by a certificate of origin issued at the time of shipment.

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- 13.3. The documentary evidence of conformity of the equipment to the tender documents may be in the form of literature, drawings, and data, and shall consist of:
- a) A detailed description of the essential technical and performance characteristic of the equipment.
 - b) A list giving full particulars, including available source and current prices of spare parts, special tools, etc., necessary for the proper and continuing functioning of the equipment for a period of two (2) years, following commencement of the use of the equipment by the Procuring entity; and
 - c) A clause-by-clause commentary on the Procuring entity's Technical Specifications demonstrating substantial responsiveness of the goods and service to those specifications, or a statement of deviations and exceptions to the provisions of the Technical Specifications.
- 13.4. For purposes of the commentary to be furnished pursuant to paragraph 2.13.3(c) above, the tenderer shall note that standards for workmanship, material, and equipment, as well as references to brand names or catalogue numbers designated by the Procurement entity in its Technical Specifications, are intended to be descriptive only and not restrictive. The tenderer may substitute alternative standards, brand names, and/or catalogue numbers in its tender, provided that it demonstrates to the Procurement entity's satisfaction that the substitutions ensure substantial equivalence to those designated in the Technical Specifications.

14. Tender Security

- 14.1. The tenderer shall furnish, as part of its tender, a tender security for the amount and form specified in the Appendix to Instructions to Tenderers.
- 14.2. The tender security shall be in the amount not exceeding 2 percent of the tender price.
- 14.3. The tender security is required to protect the Procuring entity against the risk of Tenderer's conduct which would warrant the security's forfeiture, pursuant to paragraph 2.14.7.
- 14.4. The tender security shall be denominated in Kenya Shillings or in another freely convertible currency, and shall be in the form of
- a) Cash
 - b) A bank guarantee
 - c) Such insurance guarantee approved by the Authority
 - d) Letter of Credit.

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- 14.5. Any tender not secured in accordance with paragraph 2.14.1 and 2.14.3 will be rejected by the Procuring entity as non responsive, pursuant to paragraph 2.22.
- 14.6. Unsuccessful Tenderer's tender security will be discharged or returned as promptly as possible but not later than thirty (30) days after the expiration of the period of tender validity prescribed by the Procuring entity.
- 14.7. The successful Tenderer's tender security will be discharged upon the tenderer signing the contract, pursuant to paragraph 2.27 and furnishing the performance security, pursuant to paragraph 2.28.
- 14.8. The tender security may be forfeited:
 - a) if a tenderer withdraws its tender during the period of tender validity specified by the procuring entity on the Tender Form; or
 - b) in the case of a successful tenderer, if the tenderer fails:
 - i. to sign the contract in accordance with paragraph 2.27.1 or
 - ii. to furnish performance security in accordance with paragraph 2.28.
 - iii. If the tenderer rejects correction of an arithmetic error in the tender.

15. Validity of Tenders

- 15.1. Tenderers shall remain valid for 60 days or as specified in the tender documents after date of tender opening prescribed by the Procuring entity, pursuant to paragraph 2.20. A tender valid for a shorter period shall be rejected by the Procuring entity as non responsive.
- 15.2. In exceptional circumstances, the Procuring entity may solicit the Tenderer's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing. The tender security provided under paragraph 2.14 shall also be suitably extended. A tenderer may refuse the request without forfeiting its tender security. A tenderer granting the request will not be required nor permitted to modify its tender.

16. Format and Signing of Tenders

- 16.1. The Procuring entity shall prepare two copies of the tender, clearly marking each "ORIGINAL TENDER" and COPY OF TENDER", as appropriate. In the event of any discrepancy between them, the original shall govern.
- 16.2. The original and all copies of the tender shall be typed or written in indelible ink and shall be signed by the tenderer or a person or persons duly authorized to bind the tenderer to the contract. All pages of the tender, except for unamended printed literature, shall be initialed by the person or persons signing the tender.

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- 16.3. The tender shall have no interlineations, erasures, or overwriting except as necessary to correct errors made by the tenderer, in which case such corrections shall be initialed by the person or persons signing the tender.

17. Sealing and Marking of Tenders

- 17.1. The Tenderer shall seal the original and each copy of the tender in separate envelopes, duly marking the envelopes as “ORIGINAL” and “COPY.” The envelopes shall then be sealed in an outer envelope.
- 17.2. The inner and outer envelopes shall:
- a) be addressed to the Procuring entity at the address given on the Invitation to Tender.
 - b) bear the tender number and name in the Invitation to Tender and the words “DO NOT OPEN BEFORE (*day, date at time of closing*)”.
- 17.3. The inner envelopes shall also indicate the name and address of the tenderer to enable the tender to be returned unopened in case it is declared “late”.
- 17.4. If the outer envelope is not sealed and marked as required by paragraph 2.17.2, the Procuring entity will assume no responsibility for the tender’s misplacement or premature opening.

18. Deadline for submission of Tenders

- 18.1. Tenders must be received by the Procuring entity at the address specified under paragraph 2.17.2 not later than (*the time and date specified*).
- 18.2. The Procuring entity may, at its discretion, extend this deadline for the submission of tenders by amending the tender documents in accordance with paragraph 2.6, in which case all rights and obligations of the Procuring entity and candidates previously subject to the deadline will therefore be subject to the deadline as extended.
- 18.3. Bulky tenders which will not fit in the tender box shall be received by the Procuring entity as provided for in the Appendix.

19. Modification and withdrawal of Tenders

- 19.1. The tenderer may modify or withdraw its tender after the tender’s submission, provided that written notice of the modification, including substitution or withdrawal of the tenders, is received by the Procuring entity prior to the deadline prescribed for submission of tenders.
- 19.2. The Tenderer’s modification or withdrawal notice shall be prepared, sealed, marked, and dispatched in accordance with the provisions of paragraph 2.17. A withdrawal notice may also be sent by cable, telex but followed by a signed confirmation copy, postmarked no later than the deadline for submission of tenders.

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- 19.3. No tender may be modified after the deadline for submission of tenders.
- 19.4. No tender may be withdrawn in the interval between the deadline for submission of tenders and the expiration of the period of tender validity specified by the tenderer on the Tender Form. Withdrawal of a tender during this interval may result in the Tenderer's forfeiture of its tender security, pursuant to paragraph 2.14.7.

20. Opening of Tenders

- 20.1. The Procuring entity will open all tenders in the presence of tenderers' representatives who choose to attend, at **(the time, on the date)** and in the following location.

(Physical address)

The tenderers' representatives who are present shall sign a tender opening register evidencing their attendance.

- 20.2. The tenderers' names, tender modifications or withdrawals, tender prices, discounts and the presence or absence of requisite tender security and such other details as the Procuring entity, at its discretion, may consider appropriate, will be announced at the opening.
- 20.3. The Procuring entity will prepare minutes of the tender opening.

21. Clarification of Tenders

- 21.1. To assist in the examination, evaluation and comparison of tenders the Procuring entity may, at its discretion, ask the tenderer for a clarification of its tender. The request for clarification and the response shall be in writing, and no change in the prices or substance of the tender shall be sought, offered, or permitted.
- 21.2. Any effort by the tenderer to influence the Procuring entity in the Procuring entity's tender evaluation, tender comparison or contract award decisions may result in the rejection of the tenderers' tender.

22. Preliminary Examination and Responsiveness

- 22.1. The Procuring entity will examine the tenders to determine whether they are complete, whether any computational errors have been made, whether required sureties have been furnished, whether the documents have been properly signed, and whether the tenders are generally in order.
- 22.2. Arithmetical errors will be rectified on the following basis. If there is a discrepancy between the unit price and the total price that is obtained by

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multiplying the unit price and quantity, the unit price shall prevail, and the total price shall be corrected. If the candidate does not accept the correction of the errors, its tender will be rejected, and its tender security may be forfeited. If there is a discrepancy between words and figures the amount in words will prevail.

- 22.3. The Procuring entity may waive any minor informality or nonconformity or irregularity in a tender which does not constitute a material deviation, provided such waiver does not prejudice or effect the relative ranking of any tenderer.
- 22.4. Prior to the detailed evaluation, pursuant to paragraph 2.23 the Procuring entity will determine the substantial responsiveness of each tender to the tender documents. For purposes of these paragraphs, a substantially responsive tender is one, which conforms to all the terms and conditions of the tender documents without material deviations. The Procuring entity's determination of a tender's responsiveness is to be based on the contents of the tender itself without recourse to extrinsic evidence.
- 22.5. If a tender is not substantially responsive, it will be rejected by the Procuring entity and may not subsequently be made responsive by the tenderer by correction of the non conformity.

23. Convergence to Single Currency

- 23.1. Where other currencies are used, the Procuring Entity will convert those currencies to Kenya Shillings using the selling exchange rate on the date of tender closing provided by the Central Bank of Kenya.

24. Evaluation and Comparison of Tenders

- 24.1. The Procuring entity will evaluate and compare the tenders which have been determined to be substantially responsive, pursuant to paragraph 2.22.
- 24.2. The Procuring entity's evaluation of a tender will exclude and not take into account
 - a) in the case of equipment manufactured in Kenya or equipment of foreign origin already located in Kenya, sales and other similar taxes, which will be payable on the goods if a contract is awarded to the tenderer; and
 - b) any allowance for price adjustment during the period of execution of the contract, if provided in the tender.
- 24.3. The comparison shall be of the ex-factory/ex-warehouse/off-the-shelf price of the goods offered from within Kenya, such price to include all costs, as well as duties and taxes paid or payable on components and raw material incorporated or to be incorporated in the goods.

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24.4. The Procuring entity's evaluation of a tender will take into account, in addition to the tender price and the price of incidental services, the following factors, in the manner and to the extent indicated in paragraph 2.23.5 and in the technical specifications:

- a) delivery and installation schedule offered in the tender;
- b) deviations in payment schedule from the specifications in the Special Conditions of Contract;
- c) the cost of components, mandatory spare parts and service;
- d) the availability in Kenya of spare parts and after-sales service for the equipment offered in the tender.

24.5. Pursuant to paragraph 2.24.4 the following evaluation methods will be applied.

- a) *Delivery schedule*

The Procuring entity requires that the equipment under the Invitation for Tenders shall be delivered at the time specified in the Schedule of Requirements. Tenders offering deliveries longer than the procuring entity's required delivery time will be treated as non-responsive and rejected.

- b) *Deviation in payment schedule*

Tenderers shall state their tender price for the payment of schedule outlined in the special conditions of contract. Tenders will be evaluated on the basis of this base price. Tenderers are, however, permitted to state an alternative payment schedule and indicate the reduction in tender price they wish to offer for such alternative payment schedule. The Procuring entity may consider the alternative payment schedule offered by the selected tenderer.

- c) *Spare parts and after sales service facilities*

Tenderers must offer items with service and spare parts back-up. Documentary evidence and locations of such back-up must be given. Where a tenderer offers items without such back-up in the country, he must give a documentary evidence and assurance that he will establish adequate back-up for items supplied.

24.6. The tender evaluation committee shall evaluate the tender within 30 days of the validity period from the date of opening the tender.

24.7. Preference where allowed in the evaluation of tenders shall not exceed 15%.

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25. Contacting the Procuring Entity

- 25.1. Subject to paragraph 2.21 no tenderer shall contact the Protecting entity on any matter related to its tender, from the time of the tender opening to the time the contract is awarded.
- 25.2. Any effort by a tenderer to influence the Procuring entity in its decisions on tender, evaluation, tender comparison, or contract award may result in the rejection of the Tenderer's tender.

26. Award of Contract

a) **Post-Qualification**

- 26.1. In the absence of pre-qualification, the Procuring entity will 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.
- 26.2. The determination will take into account the tenderer financial, technical, and production capabilities. It will be based upon an examination of the documentary evidence of the tenderers qualifications submitted by the tenderer, pursuant to paragraph 2.12.3 as well as such other information as the Procuring entity deems necessary and appropriate.
- 26.3. An affirmative determination will be a prerequisite 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 capabilities to perform satisfactorily.

b) **Award Criteria**

- 26.4. The Procuring entity will award the contract to the successful tenderer(s) whose tender has been determined to be substantially responsive and has been determined to be the lowest evaluated tender, provided further that the tenderer is determined to be qualified to perform the contract satisfactorily.
- 26.5. To qualify for contract awards, the tenderer shall have the following:
 - a) Necessary qualifications, capability experience, services, equipment and facilities to provide what is being procured.
 - b) Legal 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.

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c) Procuring Entity's Right to Accept or Reject Any or All Tenders

- 26.6. 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 award, without thereby incurring any liability to the affected tenderer or tenderer of the grounds for the procuring entity's action.
- 26.7. The procuring entity may at any time terminate procurement proceedings before contract award and shall not be liable to any person for the termination.
- 26.8. The procuring entity shall give prompt notice of the termination to the tenderers and on request give its reasons for termination within 14 days of receiving the request from any tenderer.
- 26.9. A tenderer who gives false information in the tender document about is 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.

27. Notification of Award

- 27.1. Prior to the expiration of the period of tender validity, the Procuring entity will notify the successful tenderer in writing that its tender has been accepted.
- 27.2. The notification of award will signify the formation of the Contract but will have to wait until the contract is finally signed by both parties. Simultaneous other tenderers shall be notified that their tenders have not been successful.
- 27.3. Upon the successful Tenderer's furnishing of the performance security pursuant to paragraph 2.29, the Procuring entity will simultaneously inform the other tenderers that their tenders have not been successful.

28. Signing of Contract

- 28.1. At the same time as the Procuring entity notifies the successful tenderer that its tender has been accepted, the procuring entity will simultaneously inform the other tenderers that their tenders have not been successful.
- 28.2. Within fourteen (14) days of receipt of the Contract Form, the successful tenderer shall sign and date the contract and return it to the Procuring entity.
- 28.3. The parties to the contract shall have it signed within 30 days from the date of notification of contract award unless there is an administrative review request.

29. Performance Security

- 29.1. Within Thirty (30) days of the receipt of notification of award from the Procuring entity, the successful tenderer shall furnish the performance security in accordance with the Conditions of Contract, in the Performance Security

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Form provided in the tender documents, or in another form acceptable to the Procuring entity.

- 29.2. Failure of the successful tenderer to comply with the requirements of paragraph 2.28 or paragraph 2.29 shall constitute sufficient grounds for the annulment of the award and forfeiture of the tender security, in which event the Procuring entity may make the award to the next lowest evaluated Candidate or call for new tenders.

30. Corrupt or Fraudulent Practices

- 30.1. The procuring entity requires that tenderers observe the highest standard of ethics during the procurement process and execution of contracts. A tenderer shall sign a declaration that he has and will not be involved in corrupt or fraudulent practices.
- 30.2. The Procuring entity will reject a proposal for award if it determines that the tenderer recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question.
- 30.3. Further a tenderer who is found to have indulged in corrupt or fraudulent practices risks being debarred from participating in public Procurement in Kenya.

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APPENDIX TO INSTRUCTIONS TO TENDERERS

The following information regarding the particulars of the tender shall complement, supplement or amend the provisions of the instructions to tenderers. Wherever there is a conflict between the provision of the instructions to tenderers and the provisions of the appendix, the provisions of the appendix herein shall prevail over those of the instructions to tenderers.

INSTRUCTIONS TO TENDERERS REFERENCE	PARTICULARS OF APPENDIX TO INSTRUCTIONS TO TENDERS
2.1.1 Eligibility	<i>Eligible bidders for Supply, Delivery, Installation, Customization, Commissioning and Equipping of a Commodities Exchange Trading Technology Suite with Operations and Maintenance Support for KOMEX are:</i> <i>I. Kenyan Software Technology Companies as solo bidders or Lead Bidder in Joint Venture or Licensed by/with Kenyan or Foreign Software Technology Companies, Licensed Kenyan Payment Gateway Service Providers and Authorised Distributors and Associate Service Providers for ICT Original Equipment Manufacturers (OEM) in Kenya;</i> <i>II. Foreign Software Technology Companies as Lead Bidder in Joint Venture with Kenyan Software Technology Companies, Licensed Kenyan Payment Gateway Service Providers and Authorised Distributors and Associate Service Providers for ICT Original Equipment Manufacturers (OEM) in Kenya</i>
2.11.1 Prices for imported equipment	<i>Prices to be quoted in Kenya Shillings inclusive of taxes and levies as applicable</i>
2.14.1 Tender Security	<i>Ksh. 1 million bank guarantee issued by a commercial bank licensed by the Central Bank of Kenya and valid for 120 days from the tender closing date</i>
2.15.1 Tender Validity	<i>120 days from the tender closing date</i>
2.17.2(b) Day, date & time	<i>Friday 10th November 2023 at 11.00am EAT</i>
2.18.1 Day, date & time	<i>Friday 10th November 2023 at 11.00am EAT</i>
Tender box location	<i>2nd Floor, Lift Lobby, KIBT Complex, Ojijo Road, Parklands, Kenya National Multi Commodities Exchange Limited, P.O. Box 30430-00100, Nairobi - Kenya</i>
2.20.1 Day, date & time	<i>Friday 10th November 2023 at 11.00am EAT</i>

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INSTRUCTIONS TO TENDERERS REFERENCE	PARTICULARS OF APPENDIX TO INSTRUCTIONS TO TENDERS
<i>Tender opening venue & location</i>	<i>4th Floor, Conference Room, KIBT Complex, Ojijo Road, Parklands, Kenya National Multi Commodities Exchange Limited, P.O. Box 30430-00100, Nairobi - Kenya</i>
2.23.1 <i>Currency</i>	<i>Kenya Shillings</i>
2.29.1 <i>Performance Security</i>	<i>The successful bidder shall be required to furnish with KOMEX, a performance security in the form of a Performance Security Bond for an amount equal to 10% of the sum total of one-off fixed bid sum + annual fixed bid sum in Kenya Shillings within 16 days of notification of award.</i>

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TENDER SUBMISSION CHECKLIST

A. Tender Submission Format

This order and arrangement shall be considered as the Tender Submission Format. Tenderers shall tick against each item indicating that they have provided it.

No.	Item	Tick Where Provided
1	Tender Security – Bank Guarantee (issued by a Bank Licensed by the Central Bank of Kenya), Guarantee by a deposit taking Microfinance Institution, Sacco Society, the Youth Enterprise Development Fund or the Women Enterprise Fund).	
2	Declaration Form all bidders	
3	Duly completed Tender Form for Lead bidder	
4	Certificate of Confirmation of Directors and Shareholding (C.R.12) for registered companies and if not a registered company registration of business name for those trading as a sole proprietor or a registration of partnership deed registered under the Kenyan law or equivalent certification for foreign tenderers. (all bidders)	
5	Copy of KRA PIN Certificate for Kenyan bidders	
6	Copy of Valid Tax Compliance Certificate for Kenyan bidders	
7	Confidential Business Questionnaire (CBQ) for all bidders	
8	Principals' Authorisation and warranty where applicable	
9	Notarized Joint Venture Agreement(s) where applicable	
10	Names with full contact as well as physical addresses of previous customers of similar goods and services and reference letters from at least two (2) previous customers for each system	
11	Statement on Deviations by lead bidder	
12	Audited Financial Statements for the lead bidder. The audited financial statements required must be those that are reported within thirty six (36) calendar months of the date of the tender document.	
13	Certified copies of bank statements for lead bidder and joint venture partners covering a period of at least six months prior to the date of the tender document. The copies should be certified by the Bank issuing the statements. The certification should be original).	
14	Certified copies of Software Technology authorisation and licensing	
15	Any other document or item required by the Tender Document. (The Tenderer shall specify such other documents or items it has submitted)	

NOTES TO TENDERERS

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1. Valid Tax Compliance Certificate shall be one issued by the relevant tax authorities and valid for at least up to the tender closing date. All Kenyan registered Tenderers must provide a valid Tax Compliance Certificate.
2. All Kenyan registered Tenderers must provide the Personal Identification Number Certificate (PIN Certificate).
3. Foreign Tenderers must provide equivalent documents from their country of origin as regards Tax Compliance and PIN certificates OR statements certifying that the equivalent documentation is not issued in the Tenderer's country of origin. The Statement(s) that equivalent documentation is not issued by the Tenderer's country should be original and issued by the Tax authorities in the Tenderer's country of origin.

B. Information to Tenderers

1. Introduction
 - 1.1. KOMEX will select the winning bidder(s) in accordance with the method of selection detailed under this section and consistent with the regulations.
 - 1.2. The bidder(s) are invited to submit a Technical Proposal and a Financial Proposal for the assignment stated in the letter of invitation (Section 1)
 - 1.3. The bidder(s) must familiarize themselves with local conditions as regards the assignment and take them into account in preparing their bid submissions. To obtain first hand information on the assignment and on the local conditions, bidders are encouraged to liaise with the Procuring entity regarding any information that they may require before submitting a bid.
2. The procuring entity will provide the inputs specified in the special conditions of the contract needed to assist the bidders to carry out the assignment.
 - 2.1 The cost of preparing the bid and negotiating the Contract, including any visit to the procuring entity are not reimbursable as a direct cost of the assignment. The Procuring entity is not bound to accept any of the bids submitted.
 - 2.2. The procuring entity's employees, committee members, board members and their relative (spouse and children) are not eligible to participate in the tender.

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3. Clarification and Amendment of Tender Documents

- 3.1. Bidders may request a clarification of any of the Tender Specifications not later than Five [5] days before deadline for submission of the proposals. Any request for clarification must be sent via email to the procuring entity's address indicated in the special conditions of the contract. The procuring entity will respond by email to all invited bidders and will be binding on them. The procuring entity may at its discretion extend the deadline for the submission of the bids.
- 3.2. At any time before the submission of bids, the Procuring entity may for any reason, whether at his own initiative or in response to a clarification requested by an invited bidder, amend the Tender Specifications. Any amendment shall be issued in writing through addenda. Addenda shall be posted on the sent by email to all invited bidders and will be binding on them. The Procuring entity may at his discretion extend the deadline for the submission of proposals.
- 3.3. Clarification of tenders shall be requested by the tenderer to be received by the procuring entity not later than 5 days prior to the deadline for submission of tenders.
- 3.4. The procuring entity shall reply to and clarifications sought by the tenderer within 5 days of receiving the request to enable the tenderer to make timely submission of its tender.

4. Preparation of proposals

- 4.1. The bid submissions shall be written in English language
- 4.2. In preparing the Technical proposal, the bidders are expected to examine the documents consisting the Tender Specifications in detail. Material deficiencies in providing the information requested may result in rejection of proposal.
- 4.3. While preparing the Technical proposal, the bidder must give particulars attention to the following:
 - a) If the bidder considers that they do not have all the expertise for the required assignment, they may suggest in the proposals other companies who will assist in the assignment but they will not be party to the contract for the purpose of the performance of the assignment. Bidders will not propose other Bidders invited to submit proposals for the assignment. Any Bidder in contravention of this requirement shall automatically be disqualified.
 - b) For all the staff who will be involved in the execution of the assignment, the bidder(s) must indicate their responsibility in the assignment and also the staff time as necessary.

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- c) Signed and stamped curriculum vitae (CV) of the staff proposed for the assignment must be submitted with the bid.

4.5 The Technical Proposal shall provide the following information;

- a) The technical team members' CVs including details of recent experience on assignments of a similar nature. For each assignment the outline should indicate, the client, scope and status of the project undertaken and contract amount.
- b) Any comments or suggestions on the Terms of Reference and a list of service and facilities requested to be provided by the procuring entity.
- c) A description of the methodology and work plan for performing the proposed assignment.
- d) Any additional information requested in the special conditions of contract

4.6 The Technical proposal shall be separate from the financial proposal and shall not include any financial information.

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5. Evaluation of Technical Proposal

STAGE ONE – PRELIMINARY EVALUATION

PRELIMINARY TENDER EVALUATION CHECKLIST	COMMENTS
(i) Preliminary evaluation of open tenders	
Tenders shall be subjected to a preliminary evaluation to determine whether:-	
(a) The tender has been submitted in the required format as per the advertisement and tender instructions;	
(b) Any tender security submitted is in the required form, amount and validity period;	
(c) The tender has been signed by the person lawfully authorized to do so (signed and stamped form of tender);	
(d) The required number of copies of the tender have been submitted as per the advertisement and tender instructions	
(e) The electronic copy of the tender have been submitted as per the advertisement and tender instructions	
(ii) Mandatory/Statutory requirements	
(1) Certificate of Company / Firm Registration or incorporation	
(2) List of Directors with respective shareholding & details of citizenship. (Attachment of CR12 forms as evidence for Kenyan companies and respective registration documents for foreign companies (For JVs with local firms)	
(3) Valid TAX Compliance Certificate for local companies.	
(4) Proof of registration with relevant regulatory bodies	
(5) Audited Accounts for each of the last three years (2022, 2021 & 2020).	
(6) Tender Security of Kshs, 1,000,000 from a Kenyan Bank licensed by the Central Bank of Kenya valid for 120 days from the date of tender closure	
(7) Signed and Stamped Statement of Verification that not debarred in matters of Public Procurement and Asset Disposal Act 2015	
(8) Dully filled statement on Litigation History	
(9) The Nominated person/Director with the Power of Attorney	

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NOTE:

- Tenders, that do not satisfy any of the above mandatory requirements in Stage 1, shall be treated as non-responsive and shall not proceed for stage 2 of technical evaluation or stage 3 of financial evaluation.

STAGE TWO – TECHNICAL REQUIREMENTS (MAXIMUM 100 POINTS)

**(Use the format given to present the required information and
where relevant documentary evidence must be provided)**

1. DOCUMENTATION

TENDER TECHNICAL EVALUATION CRITERIA	POINTS
BIDDER'S DOCUMENTATION (10 Points)	10
• Documents fully completed and in compliance with instructions:	
➤ Signed, completed and stamped Tender Questionnaire (5 points) ➤ No signed, filled and stamped Tender Questionnaire (0 points)	
➤ Signed, completed and stamped Confidential Business Questionnaire (5 points) ➤ No signed, completed and stamped Confidential Business Questionnaire (0 points)	

2. TECHNICAL PERSONNEL

TENDER TECHNICAL EVALUATION CRITERIA	POINTS
BIDDER'S TECHNICAL PERSONNEL (25 Points)	25
COMMODITY EXCHANGE EXPERT (LEAD CONSULTANT) (10 Points)	
• Certified Academic Qualifications and Certificates to be attached (5 Points)	
➤ Undergraduate Degree Academic Qualification in Business, Agriculture, Information and Communication Technology or Computer Engineering related field with minimum 10 years post graduation relevant experience including experience gained in a Regulated Commodity Exchange in Africa (5 Points) ➤ With the stated Academic Qualification Certificates, but less experience than the period indicated (3 Points) ➤ Lacking academic qualification stated above (0 Points)	

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TENDER TECHNICAL EVALUATION CRITERIA	POINTS
• Detailed curriculum vitae signed by CV owner and bidding company to be attached (5 Points)	
➤ Detailed CV signed by employee and stamped by bidding company attached with Academic Qualification Certificates and Experience for the Period Indicated (5 Points) ➤ Signed and Stamped detailed CV and Certified Relevant Academic Qualification Certificates not availed (0 Points)	
SOFTWARE DEVELOPMENT EXPERT (5 Points)	
• Certified Academic Qualifications and Certificates to be attached (3 Points)	
➤ Undergraduate Degree Academic Qualification in Information and Communication Technology or Computer Engineering related field with minimum 5 years post graduation relevant experience including experience gained in a Regulated Commodity Exchange in Africa (3 Points) ➤ With the stated Academic Qualification Certificates, but less experience than the period indicated (2 Points) ➤ Lacking Academic Qualification stated above (0 Points)	
• Detailed curriculum vitae signed by CV owner and bidding company to be attached (2 Points)	
➤ Detailed CV signed by employee and stamped by bidding company attached with Academic Qualification Certificates and Experience for the Period Indicated (2 Points) ➤ Detailed CV signed by employee and stamped by bidding company attached with stated Academic Qualification Certificates, but less Experience than the period indicated (1 Points) ➤ Signed and Stamped detailed CV and Certified Relevant Academic Qualification Certificates not availed (0 Points)	
SOFTWARE PROGRAMMING AND CODING EXPERT (5 points)	
• Certified Academic Qualifications and Certificates to be attached (3 Points)	
➤ Undergraduate Degree Academic Qualification in Business, Information and Communication Technology or Computer Engineering related field with minimum 5 years post graduation relevant experience (3 Points) ➤ With the stated Academic Qualification Certificates, but less experience than the period indicated (2 Points) ➤ Less Qualification than stated above (0 Points)	

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TENDER TECHNICAL EVALUATION CRITERIA	POINTS
• Detailed curriculum vitae signed by CV owner and bidding company to be attached (2 Points)	
➤ Detailed CV signed by employee and stamped by bidding company attached with Academic Qualification Certificates and Experience for the Period Indicated (2 Points) ➤ Detailed CV signed by employee and stamped by bidding company attached with stated Academic Qualification Certificates, but less Experience than the period indicated (1 Points) ➤ Signed and Stamped detailed CV and Certified Relevant Academic Qualification Certificates not availed (0 Points)	
SYSTEMS NETWORKING EXPERT (5 points)	
• Certified Academic Qualifications and Certificates to be attached (3 Points)	
➤ Undergraduate Degree Academic Qualification in Business, Information and Communication Technology or Computer Engineering related field with minimum 5 years post graduation relevant experience (3 Points) ➤ With the stated Academic Qualification Certificates, but less experience than the period indicated (2 Points) ➤ Less Qualification than stated above (0 Points)	
• Detailed curriculum vitae signed by CV owner and bidding company to be attached (2 Points)	
➤ Detailed CV signed by both employee and bidding company attached with Academic Qualification Certificates and Experience for the Period Indicated (2 Points) ➤ Detailed CV attached and signed by both employee and bidding company with Academic Qualification Certificates, but less Experience than the period indicated (1 Points) ➤ Signed and Stamped detailed CV and Certified Relevant Academic Qualification Certificates not availed (0 Points)	

NOTE:

- Tenderers, shall indicate the time allocation to the project for each proposed project staff in number of days per year in a separate schedule to be attached. Tenderers failing to attach the schedule shall be deducted 5 points as a penalty under this section.

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3. COMPANY EXPERIENCE

TENDER TECHNICAL EVALUATION CRITERIA	POINTS
COMPANY EXPERIENCE (40 Points)	40
Details of experience and past performance on at least five assignments of a similar nature and complexity within the past five (5) years: Each project to have been valued at not less than Kshs. 50,000,000.00 or equivalent (In convertible currency). Include current contracts, names of clients/firms, clear physical address and contact persons. (Attach award letters/Service Orders, signed contracts or proof of successful contract completion. (40 Points)	
Schedule of Project Experience for 5 projects (15 points i.e. 3 Points for each Project *5):- ➤ Details of the 5 projects to include the following:- i) Name of project, client, location and address - (1 Point) ii) Client contact person of project - (1 Point) iii) Project of a similar nature and complexity as required – (1 Points); not of similar nature and complexity (0 Points)	
Project 1 - Automated Trading System for a Public or Private Sector Commodity Exchange Spot Trading and Electronic Auctions Project regulated by a National Body with at least 100,000 on-boarded users (10 Points): ➤ Details of the project to include the following evidence:- 1) Copy of signed contracts/LPOs/LSOs – (2 Points) 2) Copy of contract completion certificates/letter – (4 Points) 3) Copy of referral Client's Commodity Exchange Operator License issued by National Regulator – (4 Point) Note: If no evidence is attached (0 Points)	
Project 2 - Clearing and Settlement System/Payment Gateway System Project with at least 4 on-boarded financial institutions (10 Points): ➤ Details of the project to include the following evidence:- 1) Copy of signed contracts/LPOs/LSOs – (2 Points) 2) Copy of contract completion certificates/letter – (4 Points) 3) Copy of referral Client's Clearing and Settlement System/ Payment Gateway System License issued by National Regulator – (4 Point)	
Project 3 - Warehouse Inventory and Collateral Management System Project deployed at least 10 warehouses (2 Points): ➤ Details of 1 project to include the following evidence:- 1) Copy of signed contracts/LPOs/LSOs – (1 Points) 2) Copy of contract completion certificates/letter – (1 Points) Note: If no evidence is attached (0 Points)	

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Project 4 - Electronic Warehouse Receipt System and or Central Registry System Project deployed at least 10 warehouses (2 Points): ➤ Details of 1 project to include the following evidence:- 1) Copy of signed contracts/LPOs/LSOs – (1 Points) 2) Copy of contract completion certificates/letter – (1 Points) Note: If no evidence is attached (0 Points)	
Project 5 - ICT Networking and ICT Equipment Supply Project (1 Point): ➤ Details of 1 project to include the following evidence:- 1) Copy of signed contracts/LPOs/LSOs – (0.5 Points) 2) Copy of contract completion certificates/letter – (0.5 Points) Note: If no evidence is attached (0 Points)	

4. BUSINESS SUPPORT

TENDER TECHNICAL EVALUATION CRITERIA	POINTS
BUSINESS SUPPORT (10 Points)	10
(1) Professional Indemnity Cover of Professional fees not less than Kshs. 20,000,000.00 from an insurance company licensed and registered by IRA in Kenya - (3 points)	
(2) Indicate appointed bankers showing the name, address, contact person and address of bidders bankers – (2 point)	
(3) Letter of authority from the bidder authorizing KOMEX to seek reference from the bidder's bankers – (2 points)	
(4) Bank statements for the last six months Certified by the Bank – (3 points)	

5. REFERENCE LETTERS

TENDER TECHNICAL EVALUATION CRITERIA	POINTS
REFERENCE LETTERS (10 Points)	10
Five (5) letters of recommendation from satisfied clients, one for each Project Category as referees – (2 points per letter) • Five (5) letters – (10 Points) • Less than Five (5) letters – (pro rate) • If no letter is attached - (0 Points)	
Note: LSO's or award letters shall not be treated as letters of recommendation. Reference Letters submitted may be issued for any of the Joint Venture Partners.	

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6. COMPLETION PERIOD AND WORK PROGRAMME

TENDER TECHNICAL EVALUATION CRITERIA	POINTS
REFERENCE LETTERS (5 Points)	10
➤ The bidder through their work programme should demonstrate that they can work within the stipulated time while adhering to the technical specifications: • A work programme within stipulated time – (7 points), • A work programme outside of the stipulated time – (3 points). • No work programme – (0 points).	

NOTE:

- Bids that score 80 points 100 or above in Stage 2 of Technical Evaluation Stage will qualify to proceed to Stage 3 of Financial Evaluation. Bids that score lower than 80 points shall be treated as non-responsive and will not be evaluated further.
- The minimum technical score required to pass the technical evaluation (6 criterion) is 80 points.
- Tenderer(s) qualifying at Stage 2 of Technical Evaluation Stage will be invited to make a live demonstration to KOMEX of their proposed Commodity Exchange Trading Technology Suite and its functionalities and capabilities under use. Any bidder who fails to honour the invite to demonstrate the functionalities and capabilities of the proposed Commodity Exchange Trading Technology Suite will be deemed non-responsive and will not be evaluated further.

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STAGE 3 – FINANCIAL EVALUATION

Technically qualified bids to be compared and ranked as per evaluation criteria.

RECOMMENDATIONS:

Award to the lowest evaluated bidder and whose offer has been determined to be substantially responsive to the Bidding Document, provided further that the Bidder is determined to be qualified to perform the Contract satisfactorily.

Negotiations

1. Negotiations will be held at the same address indicated in the appendix information to bidders. The purpose of the negotiations is to reach agreement on all points regarding the assignment and sign a contract.
2. The Negotiations will include a discussion of the technical Proposals, the proposed methodology and work plan, staff and any suggestions made by the bidder to improve the Terms of Reference. The agreed work plan and terms of reference will be incorporated in the description of the service or assignment and form part of the contract.
3. The negotiations will be concluded with the review of the draft contract. If negotiations fail, the Procuring entity will invite the tenders whose proposal received the second highest score to negotiate a contract.

SECTION III GENERAL CONDITIONS OF CONTRACT

1. Definitions

1.1. In this Contract, the following terms shall be interpreted as indicated:-

- a) “The Contract” means the agreement entered into between the Procuring entity and the tenderer, as recorded in the Contract Form signed by the parties, including all attachments and appendices thereto and all documents incorporated by reference therein.
- b) “The Contract Price” means the price payable to the tenderer under the Contract for the full and proper performance of its contractual obligations.
- c) “The Goods” means all of the equipment, machinery, and/or other materials, which the tenderer is required to supply to the Procuring entity under the Contract.
- d) “The Procuring entity” means the organization purchasing the Goods under this Contract.
- e) “The Tenderer” means the individual or firm supplying the Goods under this Contract.

2. Application

2.1. These General Conditions shall apply in all Contracts made by the Procuring entity for the procurement installation and commissioning of equipment to the extent that they are not superseded by provisions of other part of contract.

3. Country of Origin

- 3.1. For purposes of this clause, “Origin” means the place where the Goods were mined, grown or produced.
- 3.2. The origin of Goods and Services is distinct from the nationality of the tenderer and will be treated thus in the evaluation of the tender.

4. Standards

4.1. The Goods supplied under this Contract shall conform to the standards mentioned in the Technical Specifications.

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5. Use of Contract Documents and Information

- 5.1. The Candidate shall not, without the Procuring entity's prior written consent, disclose the Contract, or any provision therefore, or any specification, plan, drawing, pattern, sample, or information furnished by or on behalf of the Procuring entity in connection therewith, to any person other than a person employed by the tenderer in the performance of the Contract.
- 5.2. The tenderer shall not, without the Procuring entity's prior written consent, make use of any document or information enumerated in paragraph 3.5.1 above.
- 5.3. Any document, other than the Contract itself, enumerated in paragraph 3.5.1 shall remain the property of the Procuring entity and shall be returned (all copies) to the Procuring entity on completion of the Tenderer's performance under the Contract if so required by the Procuring entity.

6. Patent Rights

- 6.1. The tenderer shall indemnify the Procuring entity against all third-party claims of infringement of patent, trademark, or industrial design rights arising from use of the Goods or any part thereof in the Procuring entity's country.

7. Performance Security

- 7.1. Within twenty eight (28) days of receipt of the notification of Contract award, the successful tenderer shall furnish to the Procuring entity the performance security where applicable in the amount specified in Special Conditions of Contract.
- 7.2. The proceeds of the performance security shall be payable to the Procuring entity as compensation for any loss resulting from the Tenderer's failure to complete its obligations under the Contract.
- 7.3. The performance security shall be denominated in the currency of the contract, or in a freely convertible currency acceptable to the procuring entity and shall be in the form of
 - a) Cash
 - b) Bank Guarantee
 - c) Such insurance guarantee approved by the Authority
 - d) Letter of Credit
- 7.4. The performance security will be discharged by the Procuring entity and returned to the Candidate not later than thirty (30) days following the date of completion of the Tenderer's performance obligations under the Contract, including any warranty obligations, under the Contract.

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8. Inspection and Tests

- 8.1. The Procuring entity or its representative shall have the right to inspect and/or to test the equipment to confirm their conformity to the Contract specifications. The Procuring entity shall notify the tenderer in writing in a timely manner, of the identity of any representatives retained for these purposes.
- 8.2. The inspections and tests may be conducted in the premises of the tenderer. All reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Procuring entity.
- 8.3. Should any inspected or tested equipment fail to conform to the Specifications, the Procuring entity may reject the equipment, and the tenderer shall either replace the rejected equipment or make alterations necessary to make specification requirements free of costs to the Procuring entity.
- 8.4. The Procuring entity's right to inspect test and where necessary, reject the equipment after the equipment arrival and installation shall in no way be limited or waived by reason of the equipment having previously been inspected, tested and passed by the Procuring entity or its representative prior to the equipment delivery.
- 8.5. Nothing in paragraph 3.8 shall in any way release the tenderer from any warranty or other obligations under this Contract.

9. Packing

- 9.1. The tenderer shall provide such packing and packaging of the equipment as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the Contract.
- 9.2. The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the Contract.

10. Delivery and Documents

- 10.1. Delivery of the equipment, documents and installation of the same shall be made by the tenderer in accordance with the terms specified by Procuring entity in its Schedule of Requirements and the Special Conditions of Contract.

11. Insurance

- 11.1. The equipment supplied under the Contract shall be fully insured against loss or damage incidental to manufacturer or acquisition, transportation, storage, and delivery in the manner specified in the Special conditions of contract.

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12. Payment

- 12.1. The method and conditions of payment to be made to the tenderer under this Contract shall be specified in Special Conditions of Contract.
- 12.2. Payments shall be made promptly by the Procuring entity as specified in the contract.

13. Prices

- 13.1. Prices charged by the tenderer for equipment delivered and installation performed under the Contract shall not, with the exception of any price adjustments authorized in Special Conditions of Contract, vary from the prices by the tenderer in its tender.
- 13.2. Contract price variations shall not be allowed for contracts not exceeding one year (12 months).
- 13.3. Where contract price variation is allowed, the variation shall not exceed 10% of the original contract price.
- 13.4. Price variation requests shall be processed by the procuring entity within 30 days of receiving the request.

14. Assignment

- 14.1. The tenderer shall not assign, in whole or in part, its obligations to perform under this Contract, except with the Procuring entity's prior written consent.

15. Subcontracts

- 15.1. The tenderer shall notify the Procuring entity in writing of all subcontracts awarded under this Contract if not already specified in the tender. Such notification, in the original tender or later, shall not relieve the tenderer from any liability or obligation under the Contract.

16. Termination for Default

- 16.1. The Procuring entity may, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the tenderer, terminate this Contract in whole or in part
 - a) if the tenderer fails to deliver any or all of the equipment within the period specified in the Contract, or within any extension thereof granted by the Procuring entity.
 - b) if the tenderer fails to perform any other obligation(s) under the Contract.
 - c) if the tenderer, in the judgment of the Procuring entity has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.
- 16.2. In the event the Procuring entity terminates the Contract in whole or in part, it may procure, upon such terms and in such manner as it deems appropriate,

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equipment similar to those undelivered, and the tenderer shall be liable to the Procuring entity for any excess costs for such similar equipment.

17. Termination for Convenience

17.1. The Procuring Entity may at any time terminate the Contract for any reason by giving the Supplier a notice of termination that refers to this GCC Clause 17.1..

17.2. Upon receipt of the notice of termination under GCC Clause 17.1., the Supplier shall either as soon as reasonably practical or upon the date specified in the notice of termination:

- a) cease all further work, except for such work as the Procuring Entity may specify in the notice of termination for the sole purpose of protecting that part of the System already executed, or any work required to leave the site in a clean and safe condition;
- b) terminate all subcontracts, except those to be assigned to the Procuring Entity pursuant to GCC Clause (d) (ii) below;
- c) Remove all Supplier's Equipment from the site, repatriate the Supplier's and its Sub contractors' personnel from the site, remove from the site any wreckage, rubbish, and debris of any kind;
- d) In addition, the Supplier, subject to the payment specified in GCC Clause 17.1.3, shall
 - (i) deliver to the Procuring Entity the parts of the System executed by the Supplier up to the date of termination;
 - (ii) to the extent legally possible, assign to the Procuring Entity all right, title, and benefit of the Supplier to the System, or Subsystem, as at the date of termination, and, as may be required by the Procuring Entity, in any subcontracts concluded between the Supplier and its Subcontractors;
 - (iii) deliver to the Procuring Entity all nonproprietary drawings, specifications, and other documents prepared by the Supplier or its Subcontractors as of the date of termination in connection with the System.

17.3. In the event of termination of the Contract under GCC Clause 17.1., the Procuring Entity shall pay to the Supplier the following amounts:

- a) The Contract Price, properly attributable to the parts of the System executed by the Supplier as of the date of termination;
- b) The costs reasonably incurred by the Supplier in the removal of the

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Supplier's Equipment from the site and in the repatriation of the Supplier's and its Subcontractors' personnel;

- c) any amount to be paid by the Supplier to its Subcontractors in connection with the termination of any subcontracts, including any cancellation charges;
- d) costs incurred by the Supplier in protecting the System and leaving the site in a clean and safe condition pursuant to GCC Clause 17.1.2(a); and
- e) the cost of satisfying all other obligations, commitments, and claims that the Supplier may in good faith have undertaken with third parties in connection with the Contract and that are not covered by GCC Clauses 17.1.3 (a) through (d) above.

18. Liquidated Damages

- 18.1. If the tenderer fails to deliver and/or install any or all of the items within the period(s) specified in the contract, the procuring entity shall, without prejudice to its other remedies under the contract, deduct from the contract prices liquidated damages sum equivalent to 0.5% of the delivered price of the delayed items up to a maximum deduction of 10% of the delayed goods. After this the tenderer may consider termination of the contract.

19. Resolution of Disputes

- 19.1. The procuring entity and the tenderer shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with the contract.
- 19.2. 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 that the dispute be referred for resolution to the formal mechanisms specified in the SCC.

20. Language and Law

- 20.1. The language of the contract and the law governing the contract shall be English language and the Laws of Kenya respectively unless otherwise specified in the SCC.

21. Force Majeure

- 21.1. The Tenderer shall not be liable for forfeiture of its performance security or termination for default if and to the extent that its delay in performance or other failure to perform its obligations under the Contract is the result of an event of Force Majeure.

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22. Notices

- 22.1. Any notice given by one party to the other pursuant to this contract shall be sent to other party by post or by fax or Email and confirmed in writing to the other party's address specified.
- 22.2. A notice shall be effective when delivered or on the notices effective date, whichever is later.

SECTION IV SPECIAL CONDITIONS OF CONTRACT

Notes on Special Conditions of Contract

- 4.1 The clauses in this section are intended to assist the procuring entity in providing contract-specific information in relation to corresponding clauses in the General Conditions of Contract.
- 4.2 The provisions of Section IV complement the General Conditions of Contract included in Section III, specifying contractual requirements linked to the special circumstances of the procuring entity and the goods being procured. In preparing Section IV, the following aspects should be taken into consideration.
 - (a) Information that complement provisions of Section III must be incorporated, and
 - (b) Amendments and/or supplements to provisions of Section III, as necessitated by the circumstances of the goods being procured must also be incorporated.

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SECTION IV SPECIAL CONDITIONS OF CONTRACT

- 4.1 These Special Conditions of Contract shall supplement the General Conditions of Contract. Whenever there is a conflict, between the GCC and the SCC, the provisions of the SCC herein shall prevail over these in the GCC.
- 4.2 Special conditions of contract as relates to the GCC.

REFERENCE OF GCC	SPECIAL CONDITIONS OF CONTRACT
3.7.1 Advance Payment Bank Guarantee	Advance Payment Bank Guarantee issued by a Bank licensed by the Central Bank of Kenya and in an amount equivalent to the advance payment to be made to the bidder by KOMEX. The Advance Payment shall not exceed 20% of the total bid sum.
3.12.1 Payment terms	Payment terms to be based on the completion of key milestones as proposed by the tenderer in the Work Programme (e.g. supply and installation of equipment, software installation, software customization, integration, end user training, user acceptance test, “go live” date, annual maintenance contract, system support services, etc.) and should be negotiable.
3.18.1 Dispute Resolution	Any dispute arising out of the Contract which cannot be amicably settled between the parties shall be referred by either party for arbitration at the Nairobi Centre for international arbitration.

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SECTION V - SCHEDULE OF REQUIREMENTS AND PRICES

No	Item Description	Qty	Unit Price Kshs	Installation Period	Installation Price	Total Price Kshs
Total Price Kshs						

Authorized Official: _____
Name Signature

Date

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SECTION VI TECHNICAL SPECIFICATIONS

6.1 General

- 6.1.1 These specifications describe the basic requirements for equipment. Tenderers are requested to submit with their offers the detailed specifications, drawings, catalogues, etc for the products they intend to supply.
- 6.1.2 Tenderers must indicate on the specifications sheets whether the equipment offered comply with each specific requirement.
- 6.1.3 All the dimensions and capacities of the equipment to be supplied shall not be less than those required in these specifications. Deviations from the basic requirements, if any, shall be explained in detail in writing with the offer, with supporting data such as calculation sheets, etc. The procuring entity reserves the right to reject the products, if such deviations shall be found critical to the use and operation of the products.
- 6.1.4 The tenderers are requested to present information along with their offers as follows:--
- (i) Shortest possible delivery period of each product.
 - (ii) Information on proper representative and/or workshop for back-up service/ repair and maintenance including their names and addresses.

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SECTION VI TECHNICAL SPECIFICATIONS

1. INTRODUCTION

1.1 About the Exchange and Tender Overview

- 1.1.1 The Kenya National Multi Commodities Exchange Limited, State Department for Trade, Ministry of Investments, Trade and Industry, Government of Kenya (hereinafter referred as 'KOMEX') intends to launch a Commodities Exchange in Kenya.

The Commodities Exchange in Kenya (hereinafter referred as 'the Exchange') will be an online marketplace where buyers and sellers can trade in commodities with an assurance on quality, delivery and payment. The Exchange is committed to ensure that the market is assisted with a modern market institution that will bring in much needed integrity, by providing a guarantee mechanism, for the quality, quantity and payment. Further, it will make the market efficient by introducing standardized contracts and trading system. The market will be a fully electronic market; will bring in transparency and empowering the farmers by disseminating market information in real time to all market players. Instruments will include spot trading in commodities, with introduction of derivatives trading in futures, options and index trading later on. Sectors will include agriculture, metals, minerals and energy before diversifying into currencies and other asset classes.

- 1.1.2 This document is an invitation by the Commodities Exchange (hereinafter referred as 'the Exchange') to the bidders to bid in respect of the supply, installation, commissioning, and maintenance of requisite hardware, network connectivity and software implementation for a Commodities Exchange offering trades across local Kenyan markets, imports and exports in multi-commodities. It is recognised that the hardware, software and telecom suppliers may be different or that software could run on multiple brands of hardware. The relationship should be clearly stated.
- 1.1.3 This Tender (hereinafter referred as 'TENDER') describes the requirements and sets out questions which TENDER bidders are required to answer regarding their product and services. In order to facilitate the evaluation of submissions, bidders are requested to comply with the conditions set out in this document.

Any information that the supplier may deem relevant, beyond that requested, would be accepted.

1.2 Conditions for submission of a proposal

- 1.2.1 The Exchange intends to acquire systems that can, over time, be modified and enhanced to meet the evolving business requirements of the Exchange. The bidder must state how this will be achieved and how it will support the systems.

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- 1.2.2 Bidders are expected to submit tenders for a complete system. The proposed Automated Trading System, Clearing & Settlement System, Risk Management System, Warehouse Inventory and Collateral Management System, Central Registry, Warehouse Receipt System and Management Information Systems should be proven systems that are already operating successfully at a minimum of: two successful Commodities Exchanges, two successful Central Depositories and two successful Financial Institutions for a period of at least two years.
- 1.2.3 Bidders must supply reference letters from suitable referees relating to at least two reference sites for each system. The information required on the reference letter and referees include the name and address of the organization where the system is installed and is in use and the name, e-mail address and telephone/mobile no. of the person(s) who can be contacted within the organization for the purpose of obtaining a reference.
- 1.2.4 In case of a joint venture or consortium bid, the lead bidder and other bidders must be indicated clearly in a letter addressed to the Procuring Entity and a joint venture agreement between the parties duly notarized by a commissioner of oaths must be submitted together with the bid. The lead bidder will be responsible for ensuring that its joint-contractor comply with the requirements of the TENDER. Bidders may subcontract the supply of hardware, system software, RDBMS and networking equipments etc. to local companies in Kenya.
- 1.2.5 TENDER bidders must acknowledge each and every clause in this TENDER. Replies to the tender must be in the strict order of the clauses in the document and the bidder should ensure that sufficient details are provided.
- 1.2.6 The technical and financial proposals must be signed by an authorised signatory of the bidder.
- 1.2.7 KOMEX reserves the right to accept or reject any bid and to annul the bidding process and reject all bids at any time prior to award of contract, without having to assign any reason and without thereby incurring any liability to any bidder or any obligation to inform the bidder of the grounds for the Exchange's actions.
- 1.2.8 The recipient of the TENDER shall treat all information provided in this document and in any related discussion and correspondence **in strict confidence**.
- 1.2.9 KOMEX undertakes to treat the information provided by the bidders as confidential and no information provided in any proposal shall be disclosed to any third party. Proposals will become the property of the Exchange and will not be returned to the bidders.
- 1.2.10 Any request for clarification or further information on requirements or other issues contained in this TENDER must be made in writing and should be forwarded to:

Chief Executive Officer
Kenya National Multi Commodities Exchange Limited
KIBT Complex, Ojijo Road, Parklands, Nairobi
P. O. BOX 30430 - 00100
Nairobi, Kenya
Email: kenyakomex2019@gmail.com
Website: www.komex.co.ke

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1.2.11 A schedule of events regarding the TENDER, signature of the contract between the Exchange and the successful bidder, and the live date is as under:

<u>Activities</u>	<u>Target Date</u>
Tender Notice and TENDER Distribution	1st November 2023
Question/Clarifications on TENDER	6 th November 2023
Last date of submission of Tender	10 th November 2023
Evaluation of Submitted Tenders	10 th - 17 st November 2023
Due diligence on qualified and responsive bidders and notification of award to winning bidder	20 th - 22 nd November 2023
Negotiations and signing of contract between KOMEX and awarded bidder	6 th - 8 th December 2023
Commissioning of Data Center	15 th December 2023
Delivery of hardware, automated trading software, system software, RDBMS and networking equipment	15 th December 2023
Commencement of installation, testing, customization, integrations and commissioning of hardware, software and networking equipments	15 th December 2023
Completion of installation, testing, customization, integrations and commissioning of hardware, software and networking equipments	26 th January 2024
Commencement of UAT ad Mock Trading by the participation of Traders & Bankers	29 th January 2024
Completion of UAT and Mock Trading	9 th February 2024
Training and Pilot Trading	12 th - 23 rd February 2024
Go Live	26 th February 2024
Post “Go Live” customizations, integrations and training	7 th December 2024
Post “Go Live” annual maintenance and software upgrades	7 th December 2025
	7 th December 2026
	7 th December 2027
	7 th December 2028
	7 th December 2029
	7 th December 2030
	7 th December 2031
	7 th December 2032
	7 th December 2033

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- 1.2.12 All bidders who receive this TENDER must communicate their intention to participate, indicate whether they will or will not be responding. Bidders should send written notification of their intention to respond to this TENDER or otherwise to the contact details provided in sub-section 1.2.10. Written notification (preferably via e-mail attaching a scanned letter on the company's official letter head) and should be provided within 5 business days of receipt of the TENDER.
- 1.2.13 KOMEX reserves the right to award the contract without discussion of the proposals received. Therefore, the proposals must be submitted initially on the most favourable terms possible from a pricing, delivery, support and technical standpoint.

This document is a Tender and has no legally binding effect. KOMEX is not required to award this project to any applicant. Furthermore, KOMEX reserves the right to:

- Accept the proposal(s) that is/are in the best interest of the KOMEX.
- Reject any or all bids, or any parts thereof based on suitability of the solution to its business needs.
- Reject any conditional or qualified bids.
- Reject the bid of a bidder who has previously failed to perform properly or to complete in a timely manner, contracts of a similar nature, or if investigation shows the bidder unable to perform the requirements of the contract.
- Waive any informality in the bids.
- Accept a bid other than the lowest price bid
- Cancel the project at any time prior to contract signing for any reason and without penalty

In addition;

- KOMEX bears no responsibility to issue a contract.
- All responses and correspondence remain the property of KOMEX. In the event that a contract is agreed, responses to the TENDER may be referenced, in whole or in part, and considered binding.
- KOMEX may at its discretion reject proposals which are incomplete or considered non-responsive.
- KOMEX is not obliged to explain to unsuccessful bidders the reasons for not proceeding.

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1.3 Evaluation of Proposals

- (i) The evaluation and selection of bidders to this TENDER will be carried out by the Tender Processing Committee. The detailed findings of the evaluation will remain confidential with the KOMEX.
- (ii) The placement of an order for supply of the products of the successful proposal will be subject to satisfactory negotiations regarding contractual conditions.
- (iii) Acceptance of the systems (hardware, software, networking, communications & data center) will be conditional upon satisfactory and reliable performance, and will require that all faults identified during the KOMEX user acceptance testing are remedied and that the entire systems perform as claimed.

1.4 Demonstration and Site Visit

After the evaluation of the proposals received by KOMEX, the successful bidders will be informed that their proposals will progress to the Due Diligence Stage which will include a Bidder Demonstration Stage. Bidder demonstrations will take place at KOMEX and the format may be hybrid (physical and virtual). Before this time, KOMEX will not attend/respond to inquiries about the evaluation proposal process. Bidders are encouraged to make a Site Visit before submission of their Bids.

KOMEX may make visits to the reference site/s after the demonstration stage.

1.5 Contractual Arrangements

The documents, which will comprise the contract, should be:

- (i) The present Tender (TENDER).
- (ii) The response to the TENDER submitted by the bidder.
- (iii) Any written correspondence that may be exchanged.
- (iv) The actual contracts which are agreed and signed by both parties.

Final contract would be expected to include the following provisions:

- Confidentiality on KOMEX's business applications
- Suitability for stated functional and technical requirements
- System performance guarantees (e.g. guaranteed response times during the period of warranty coupled with liquidated damages for failure)
- Timeliness, covered by, for example, liquidated damages
- Ownership of software and documentation
- Guaranteed availability of key bidder staff
- Overall system uptime guarantees, including compensation for missing agreed reliability levels
- Service level agreements (SLA) for maintenance and support including compensation if not met
- Successful implementation of solution

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1.6 Submission of response to TENDER

The closing date for submission of response to TENDER is Friday 10th November 2023 up to 11.00 hrs (East Africa Time) at latest. A softcopy of the proposal should also be sent to the following e-mail address by the deadline specified above.

One original and one copy of each proposal identical to the softcopy, in a sealed envelope, must be lodged, by the Friday 10th November 2023 up to 11.00 hrs (East Africa Time) with the-

Chief Executive Officer
Kenya National Multi Commodities Exchange Limited
KIBT Complex, Ojijo Road, Parklands, Nairobi
P. O. BOX 30430 - 00100
Nairobi, Kenya
Email: komexkenya2019@gmail.com
Website: www.komex.co.ke

Note that-

- In case of any difference between the softcopy and the hard copies, the softcopy will prevail.
- The top left-hand corner of the envelope should be marked "Response to TENDER for the Exchange Automated trading system and Warehouse receipt system."
- Responses received after the specified time and date will not be considered. The envelope containing the proposals should clearly indicate the name and full business address of the bidder to enable late entries to be returned unopened.

1.7 Bidder Designated Contract

Responding bidders are required to indicate the name, title, address, telephone, mobile number and e-mail of a single point of contact and one alternate for the duration of this TENDER process. The availability of these persons should be specified.

1.8 Amendment to the TENDER Document

At any time prior to the deadline for submission of the bids, KOMEX may, for any reason, whether at its own initiative or in response to a clarification requested by a bidder, modify the TENDER document by an amendment. If this modification occurs later than one week before the deadline for the submission of proposal, KOMEX has the right to extend the deadline for the submission, in order to give bidders the necessary time for considering the modifications in the preparation of their proposals.

The amendment will be notified in writing or by e-mail to all the prospective bidders who have received the TENDER and will be binding on them.

1.9 Response Format

The bidders should respond to sections 2, 3, 4, 5, 6 and 7 of this TENDER document in the same order as in this document and use the same numbering.

Provide full and complete answers to all the questions. Additional information may be included in the appropriate section if the TENDER enquiries do not specifically address a feature or function, the bidder would like to address as relevant to the section topic.

2. BIDDER AND PRODUCT INFORMATION

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2.1 Company Information

Provide the following information about your organization:

- (i) Company history --- years in business etc.
- (ii) Company size --- number of employees, locations etc.
- (iii) Parent Company and/or relevant affiliate information
- (iv) Number and description of commodities exchange related products offered
- (v) Ownership status --- Private or Public Company
- (vi) Names of Directors
- (vii) Company vision and mission
- (viii) Company web address
- (ix) Name of primary contact person including Designation, Contact Address, Telephone Number(s), Mobile Number(s), e-mail address.
- (x) Provide annual report and audited financial statements (convert figures to Kenya Shillings) for the past three years.
- (xi) Information about any pending legal actions against the company.
- (xii) Information about any legal actions against a customer.
- (xiii) Information about any merger or acquisition plans.
- (xiv) Where are the following company locations?
 - a) Development Centre(s)
 - b) Training Centre(s)
 - c) Support Centre(s) --- Helpdesk, Contact Centre
 - d) Other offices

Attach a copy of each of the Certificate of Incorporation and a Tax Clearance Certificate.

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2.2 Product Information

Provide the following information about the products:

- (i) Brief description of the company's proposed product(s) and service offerings for the Exchange including differentiating feature of company's solutions from competing solutions – both in technology and business functionality.
- (ii) What other products do you offer?
- (iii) How many Warehouse Operators, Commodity Exchanges, Central Registries/ Depositories and Clearing and Settlement Banks are currently using proposed product/ service? Provide breakdown by modules as may be appropriate?
- (iv) Give details of third party systems with which the bidders ATS and CSD system have been interfaced?
- (v) What is the product's current version? How many companies/exchanges are using the current version and how long has each used it?
- (vi) Provide information on companies/exchanges where the product has been implemented – size of organization and number of users.
- (vii) Describe the company's product strategy over the next five years.
- (viii) How long has the current release been available? When is the next release scheduled?
- (ix) Are there ongoing deployments/implementations? If so, list them including the name and location?

2.3 Reference Sites

Name of at least one (1) client reference, preferably, similar in size, industry, scope and complexity to KOMEX, where the bidder's ATS and CSD and Warehouse Inventory and Collateral Management systems have been implemented respectively. The reference site for the systems may be different. Information must include these points at a minimum:

- (i) Contact Name, Organization, Title, Address, Telephone number and mobile number
- (ii) Contract Date
- (iii) Solution/Service provided and implementation dates (start and end)
- (iv) Third party systems with which the bidder's system have been interfaced in that market (if any)
- (v) Role of bidder in Implementation and Support
- (vi) Contract size
- (vii) Size of Project team

It may be noted that as part of the selection exercise, the Exchange may conduct site visits to one or more reference site. Bidders should clearly indicate at least one reference site that KOMEX can visit. Failure to do this implies that KOMEX is at liberty to select and visit any of the sites listed here. KOMEX reserves the right to send questionnaires to any site.

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2.4 Sub-contractors

Bidders may subcontract the supply of hardware, system software, networking equipment and data centre equipment (UPS, data cabling, electrical installation, air conditioner/air conditioned 42U size server racks, smoke detectors, fire extinguishers, access control mechanism for data centre etc.) to local companies in Kenya. Detailed information on the subcontractor and the products and services to be supplied by it, should be provided.

2.5 Scope of Supply

It is assumed that this TENDER process identifies a solution, which is acceptable to the Exchange, and is subject to acceptable terms and conditions being agreed between Exchange and the successful bidder. The scope of the agreement is expected to comprise of providing the solution, comprising of outsourcing of implementation and support of different software applications required to run a Multi Commodities Exchange.

The scope of the solution provided would cover the following:

- Demonstration of software used to run different processes
- Demonstration of the stability & integrity of these software
- Demonstration of functional capabilities of these software
- Demonstration of interlinking of these software
- Demonstration of configurability and customizability of these software
- Demonstration of the solutions deployment
- Capabilities of staff using these software
- Coordination for user acceptance testing
- Providing competitive SLAs considering the size of the company operations
- Providing detailed documents about the processes, software and the solution provided

The scope of the implementation would cover:

- Project management
- System installation and integration with applications which are out of scope of this TENDER
- Customization of solution and software as per the Exchange' requirements including
 - key users education
 - gap analysis
 - customization of solutions
- Defining and setting up interfaces between IT solutions
- Providing the running process with adequate manpower at Bidder's premises
- Coordinating for User Acceptance Testing,
- Providing detailed documents about the product usage and features,
- Providing security procedures (back-up procedure, recovery procedure)
- Providing SLA based services
- Insuring the information security for all the applications and Data

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The scope of the support would cover

- Providing dedicated support for any post implementation customization / issues,
- Providing dedicated support to users
- Taking in charge maintenance works linked to regulatory evolutions
- Providing the regular applications and hardware maintenance support
- Providing application availability to users on a 24/7/365 basis
- Providing a Business continuity plan

2. 6 Critical Success Factors

Fulfillment of the following high-level criteria will contribute significantly to the success of the project, and these characteristics will be considered as part of KOMEX's evaluation of bidders' proposals. Below is a high level summary of the criteria on which selection will be made:

- Solution fit – ability of the proposed solution to meet the requirements specified within the TENDER
- Cost effectiveness – ability to provide competitive initial pricing and reoccurring cost.
- Robustness, scalability, configurability and easiness to add / change the products. Only products/software/platforms proven in a similar context shall be considered
- Timelines – ability to deliver the requirement in shortest time span without compromising on the quality of delivery.
- People Capabilities – sufficient quality staff with the correct skill sets immediately available, proof of experience within process understanding, working on process, client servicing etc.
- Staff Strength Assurance – Ability to provide proper servicing staff strength on peak business timings, which can be particular months of a year, particular days in a month and particular time hours in a day.
- Added value – ability of the Bidder to add value beyond the scope of the specific requirements

2. 7 Confidentiality

The contents of this document as well as all other information provided to the bidders must be dealt with in the strictest confidence. Third parties must on no account have access to this information without the prior written agreement of KOMEX. Therefore, should a bidder wish to engage or collaborate with any third party in the preparation of its proposal, the prior consent of the KOMEX must be obtained. The bidder shall use the information for no other purpose than the bid. This also applies after the bid process is completed.

The bidder must not refer to KOMEX in any media release or public announcement without KOMEX's written permission.

Exchange will not disclose or share one bidder's response to this document with another competing bidder or other organization, but shall be permitted to share the responses with KOMEX's employees or with contract professionals working with KOMEX on this project under Non-Disclosure Agreement.

3. BUSINESS AND FINANCIAL REQUIREMENTS

3.1 KOMEX's Segments and Sectors

KOMEX shall launch its spot and auction segments for trading in commodities, with introduction of derivatives trading in futures, options and index trading later on. Sectors will include agriculture, metals, minerals and energy before diversifying into currencies and other asset classes.

3.2 Technology Suite

The bidder should provide world class, fully integrated, end-to-end technology solutions for the Exchange, comprising of the technology components to support spot trading, auctions, order matching, market surveillance, market supervision, membership registration and management, clearing & settlement, warehouse inventory and collateral management, central registry, commodity delivery, Market Information System, etc., including subsystems as indicated in the table 1 below:

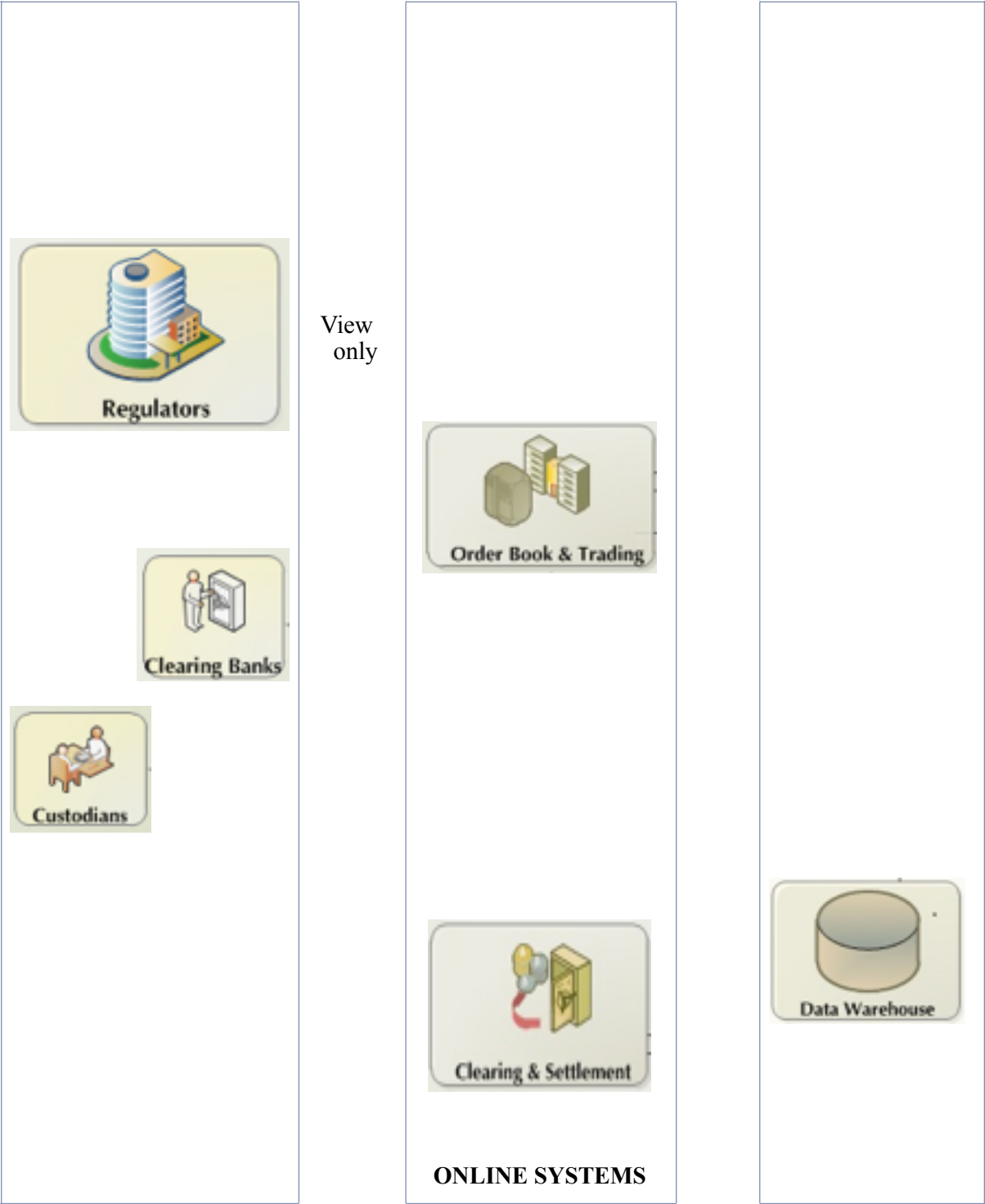
Table 1: Trading Technology Suite (Front Office/Back Office Applications)

1. Membership Management Module
2. Warehousing Inventory, Collateral Management and Commodities Delivery Module
3. Central Registry Database Module
4. Automatic Trading System (Order Matching Engine for trade in spots, auctions, forward contracts and derivatives; Commodities Listing Module; Members Trading Workstation)
5. Clearing and Settlement System
6. Risk Management, Market Surveillance and Market Supervision Module
7. Customer Relationship Management and Management Information System

Diagram 1 depicts the role of different stakeholders using the commodities exchange trading technology suite.

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Diagram 1. Technology Suite for the Commodities Exchange External entities



Note: Here Custodians refer to Depository / Warehouses

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3.3 Technology Suite – Basic Features

- (i) The trading platform should be highly flexible, scalable and reliable, and should provide superior performance on low bandwidth networks.
- (ii) Fault tolerance technology suite should be built-in at the application level to enable non-stop trading (24 hours a day, 7 days a week). The system should assure uptime record of 99.99%.
- (iii) The systems should be capable of achieving sustained order rates of up to 1,000 orders per second with a round-trip latency of less than one millisecond.
- (iv) The technology should support multi-segments (spot and derivatives) and multi-assets, flexible for integration and seamless deployment of new functionalities, high performance and low latency system scalable in accordance with the business needs.
- (v) Modular architecture of solution should facilitate business driven deployment that results in true value of the total cost of ownership.
- (vi) The technology suite should be highly versatile, scalable and robust system that covers all aspects of exchange operations right from the trading to settlement. It should be driven by strategic and operational needs to deal with cost and margin pressures, ever changing business environment and regulatory compliance among others.
- (vii) The technology should enable high levels of system security.
- (viii) These applications may be deployed on a number of small compute-servers. The Commodities Exchange can scale-up the system easily, affordably and incrementally by adding new servers, as and when it needs to grow. Adding new features or products to the system should not require additional costly and complex hardware and application upgrades.
- (ix) The system architecture should boast of on-site process failover of less than one second and failover to a disaster recovery site in less than one minute.
- (x) The technology suite should allow flexibility of modular deployment and customized add-ons to ensure the best fit to meet the customer's needs in the fastest possible time.
- (xi) Given the criticality of the Commodities Exchange's operations, the bidder should offer the services of fully trained on-site application support engineers and business analysts, who would then be the first point of contact for support on the application.
- (xii) Scope of audit trail should be kept in different applications, including for accessing the module and generating reports.
- (xiii) The technology suite should also be compatible to different modes of network connectivity, available across the globe.
- (xiv) Other factors viz. low transaction costs, volume of trading of the participants, low latency and high-speed transaction processing, should also to be considered.
- (xv) Each of the module/component of the Technology Suite should provide a facility for generating different reports.

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3.4 Members' Database Module

Members' Database Module is an application for capturing the data of the Members enrolled with KOMEX.

3.4.1 Purpose

KOMEX will receive lot of information from its members, as a part of admission process, capital adequacy norms, while enrolling them, and in compliance with the regulator, and also, as part of post-membership compliance. Most of this information will be used by the Exchange's team frequently. This module will help the Exchange team store the required data online and access it anytime without much effort.

3.4.2 Categories of Members

KOMEX will have different categories of members, depending on their functions and roles i.e. i). trading, ii). commodity brokers, iii). clearing & settlement, and iv). affiliate.

3.4.3 Access to the Module

This module should allow access to the multiple users for different purposes as under:

- 1) Members: for online registration by the members, uploading the required documents, and
- 2) KOMEX's team - inserting the details, revising the data, for approval, view only etc.

3.4.4 Support to other systems/modules

This Module should support other modules / systems, payment gateways and also Accounting System.

3.4.5 Alerts

The module should generate alerts before the due dates for payment of annual & any other fee, submission of annual accounts & compliance report etc. and also on non-payment of the fee / submission of the documents.

3.5 Commodities Listing Module

Commodities Listing Module is a module for capturing the details of the Commodities to be listed with the Exchange for trading by its members.

3.5.1 Purpose

In order to allow listing of the Commodities, the Exchange complies with listing Rules, Regulations and Guidelines stipulated by the Regulator and the Exchange, and also post listing of the Commodities, periodically. In this process, the Exchange gets lot of information about the Commodities. Most of the said information is used by the Exchange team frequently. This module will help the Exchange team store the required data online and access it anytime without much effort.

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3.5.2 Listing of the Commodities

The Commodities to be listed by the Exchanges are as under:

- a) Agricultural Commodities
- b) Metals
- c) Minerals
- d) Energy
- e) Any other Commodities
- f) Indices

3.5.3 Access to the Module

Members' Database module should allow access to the multiple users for different purposes viz., inserting the details, revising the data, for approval, view only etc.

3.6 Trading System

3.6.1 Trading System

Trading System to have the following features:

- (i) To be fully automated screen based,
- (ii) To support Order Driven Market,
- (iii) In multi-currency,
- (iv) Information to be updated on Trader WorkStation online real-time basis,
- (v) Access to the same market and order book by all participants, irrespective of the location and without any time lag,
- (vi) Round the clock trading facility, and
- (vii) Orders to be matched based on a pre-defined algorithm.
- (viii) Trading facility through laptop, personal computer, mobile handset etc.

The Trading System should provide the following trading functionalities:

- **Trading Segments:** Spot and Derivatives
- **Market Segments:** Segments for trading in Dematerialized Commodities (through Warehouse Receipt), Physical Commodities, Trade for Trade etc.
- **Market Types:** Normal market, Odd Lot Market, Auction Market etc.
- **Trading Sessions:** Pre-open, Normal and Post-close.
- **Order Conditions:** The Members should be provided complete flexibility in placing orders with different price conditions, time conditions, quantity conditions etc.
- **Order validations** at different levels.

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3.6.2 Trading Process

On getting membership of the Exchange and after regulatory approvals, the Members will be allowed to trade through the Trader Workstation (TWS). They will start trading after developing the required infrastructure including deployment of the software, as per Exchange's requirement, establishing the network connectivity with the Exchange Servers.

The trading process is depicted in the Diagram 2 on page no. 20.

3.6.3 Trader Workstation

The Members will trade on the Commodities Exchange platform through the TWS. Using this application, the members can view real-time exchange data and feed in orders, and receive instantaneous trade confirmations. Order and Trade confirmations are transmitted to the TWS in a real-time basis, eliminating the need to query the server for order and trade information. It provides a view with real-time streaming information from the Commodities Exchange's Trading System.

The TWS will be accessible to different stakeholders for trading and view only as well.

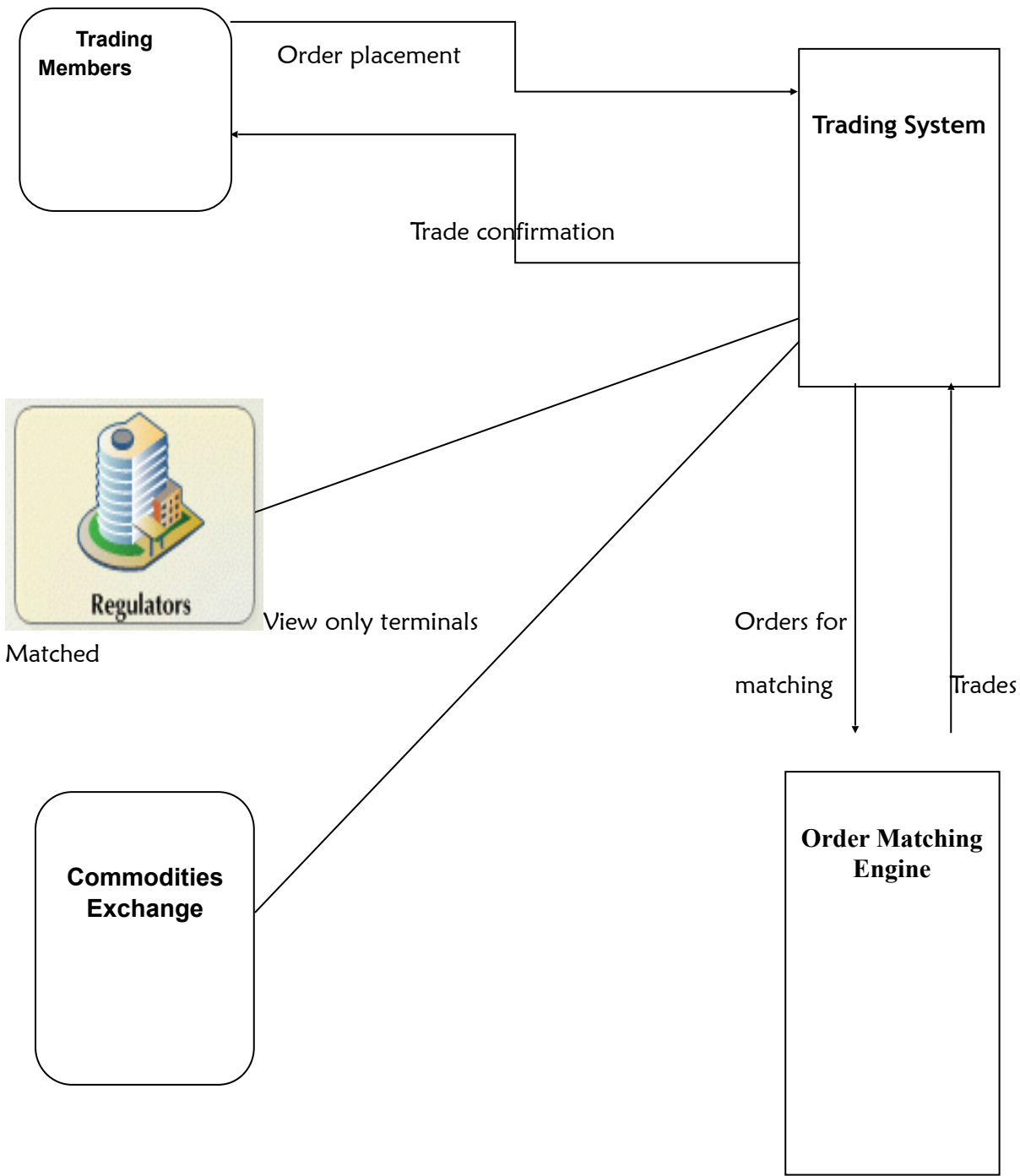
The TWS should provide a variety of features to personalize, enhance the usability of the WorkStation.

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Diagram 2. Trading Process

Users of Trader Workstation

Online Systems



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3.7 Order Matching Engine

3.7.1 Purpose

The order Matching Engine will match the orders, placed by the trading members, in different segments and different markets based on a pre-defined algorithm i.e., Price-Time Priority or any other method, subject to approval.

3.7.2 Access to the Order Matching Engine

Access to this module shall be provided only to the select officials of the Commodities Exchange.

3.7.3 Features of the Order Matching Engine

The Order matching engine should support-

- (i) multiple segments and multiple markets
- (ii) multiple sessions during the day
- (iii) different Order Conditions
- (iv) real-time transaction routing to the Members
- (v) trade modification for modifying client
- (vi) real-time transaction routing to Market Supervision Modules, MIS module and Clearing & Settlement Module.

3.8 Market Supervision Module

3.8.1 Market Supervision Module for the Exchange

The ability to integrate the sheer volume of data with surveillance technology is a major challenge. The market supervision application provides the Commodities Exchange with real-time control and the ability to maintain market integrity. It enables the Commodities exchange / clearing house to define different risk parameters, generating statistical parameters, and provide trading support to it's the members. Robust monitoring and analysis tools of the system effectively and efficiently monitors billions of trading messages in real-time and historically. Powerful visualization tools simplify the monitoring process and provide clear guidance to potential abuse scenarios.

3.8.2 Market Supervision Module for the Members of the Exchange

The Supervision System provides the Members with real-time control and the ability to maintain the market integrity. It gives them the power to manage their risk and conduct online surveillance, meeting the regulatory requirements from a single window, for different desks and different asset classes. The system interfaces online real-time basis with the Commodities Exchange Server, to get information and data related to their trade on a continuous basis. It also enables Members to regularly provide trading support to their clients and traders.

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3.9 Clearing and Settlement Module

3.9.1 Purpose

Clearing and Settlement Module should provide various functionalities, among others the following functionalities:

- (i) To offer structures that will be efficient from the perspective of segregation, portability, operations and capital requirements.
- (ii) To consider counter party risk (CCP model) between the buyer member and the seller member.
- (iii) To support trading round the clock
- (iv) To upload of trades from the Trading System on a real-time basis or through file upload (trade capturing)
- (v) To process trades, executed by the trading members
- (vi) To process Market Statistics
- (vii) To process for Settlement of trades
- (viii) To ensure seamless settlement with banks, all values to be computed upto two decimals for settlement and accounting purposes.
- (ix) To generate positions of the clearing members
- (x) To compute fees and penalties (multiple categories)
- (xi) To generate settlement obligations of the clearing members
- (xii) To segregate one member's positions and collateral from that of another member.
- (xiii) To facilitate Off line surveillance, by generating different reports
- (xiv) Risk Management
- (xv) Security Deposit Management
- (xvi) Auction Management
- (xvii) Settlement Guarantee Fund Management
- (xviii) Interface with the external parties like Banks, Warehouses / Depositories, Members etc.
- (xix) Interface with the Accounting System
- (xx) Interface with Database Applications viz., Commodities, Members, and Clients

To allow transfer of positions and collateral of a trading member from one clearing member to another clearing member, allowing the trading member to continue without interruption and without having to deposit new collateral (portability).

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3.9.2 Basic Features of the Module

The Clearing and Settlement Module should have the following features:

- This module should ensure fast and secure transaction processing for clearing and settlement.
- This module should process transactions in real-time / in a batch / at end of the day.
- It should be fully parameter driven to allow for rapid customization of the product to suit each Exchange's business best practices.
- This module should have flexibility to be integrated with any trading system.
- The system should be able to operate as a standalone module.
- This module should have the feature of Straight Through Processing (STP)
- This module should not require any manual intervention in performing the daily transactions and the clearing & settlement functions.

Refer Diagram 3 on page 24 for the Clearing and Settlement System.

3.9.3 Access to the Clearing and Settlement Module

This module should allow access to the multiple users for different purposes viz., inserting the details, revising the data, for approval, view only etc.

3.10 Commodities Delivery Module

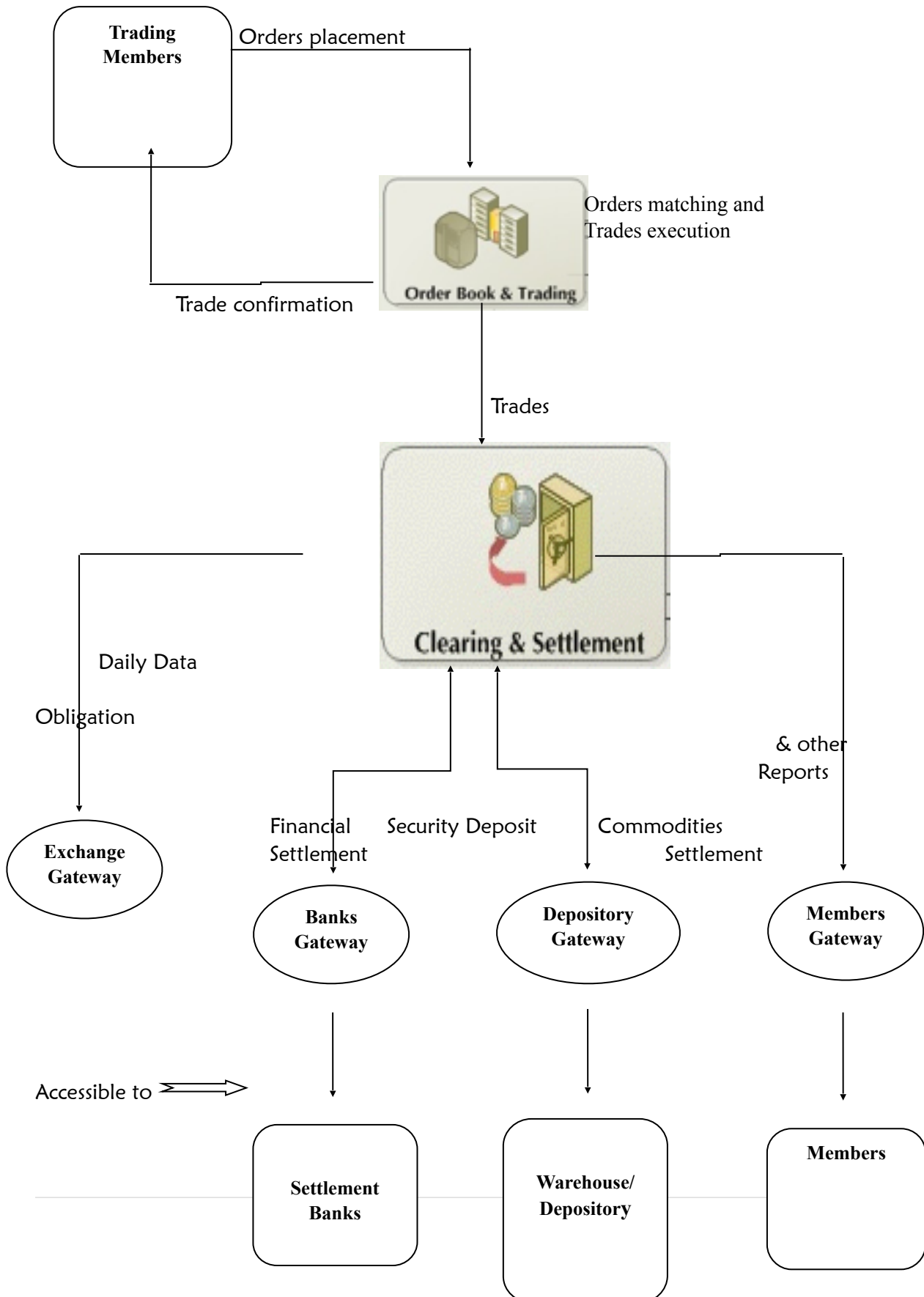
Commodities Delivery Module will facilitate delivery of the commodities among the members, for the trades executed by them on the exchange's trading platform.

3.10.1 Purpose

In order to allow smooth delivery of the commodities, the Clearing and Settlement Module will transfer to the Commodities Delivery Module.

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Diagram 3. Clearing and Settlement System



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3.10.2 Basic Features of the Module

This module needs to provide various functionalities, among others the following functionalities:

- Transfer of the Settlement Data (Delivery related) from the Clearing and Settlement Module to this module, and
- Interface for members to upload / download certain documents and get certain details.
- Interface with Warehouses and Depositories.

3.10.3 Access to the Module

Commodities Delivery module should allow access to the multiple users for different purposes viz., inserting the details, revising the data, for approval, view only etc. by the Exchange and uploading the relevant documents by the members.

3.11 Clients' Database Module

Clients Database Module is an application for capturing the data related to the Clients (Know Your Client details) by the Members with the Commodities Exchange.

3.11.1 Purpose

The Regulator and the Exchange desire the Member to get certain details from the client and enter into an agreement with the client, before starting trading on the Exchange on her/his behalf. And, the Commodities Exchange would like its members to provide select information / data to the Exchange, through this module.

3.11.2 Access to the Module

Clients Database Module will be accessed mainly by 2 types of users:

- 1) Members will be uploading the details of their clients and certain documents in the module (in the specified format),
- 2) Commodities Exchange – view access only, and to retrieve data in exceptional cases.

3.11.3 Reports

The module should provide a facility to the users for generating different reports viz., client specific report, feature specific report etc.

3.12 Management Information System

3.12.1 Purpose

Trade and settlement related data generated by different modules of the technology suite will be stored in the Management Information System for generating different reports

3.12.2 Reports

The module should provide a facility to the users for generating different types of reports.

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3.13 Warehouse Receipt System

3.13.1 Introduction

A warehouse receipt system (WRS) enables farmers/producers/traders to deposit storable goods /commodities with the Exchange against a warehouse receipt (WR). A WR is a document issued by warehouse operators as evidence that specified commodities of stated quantity and quality have been deposited at a particular location. Usually prices slump right after harvesting/production time. By deciding to sell the goods at a later time, when prices have picked up, the depositor can avoid price risk.

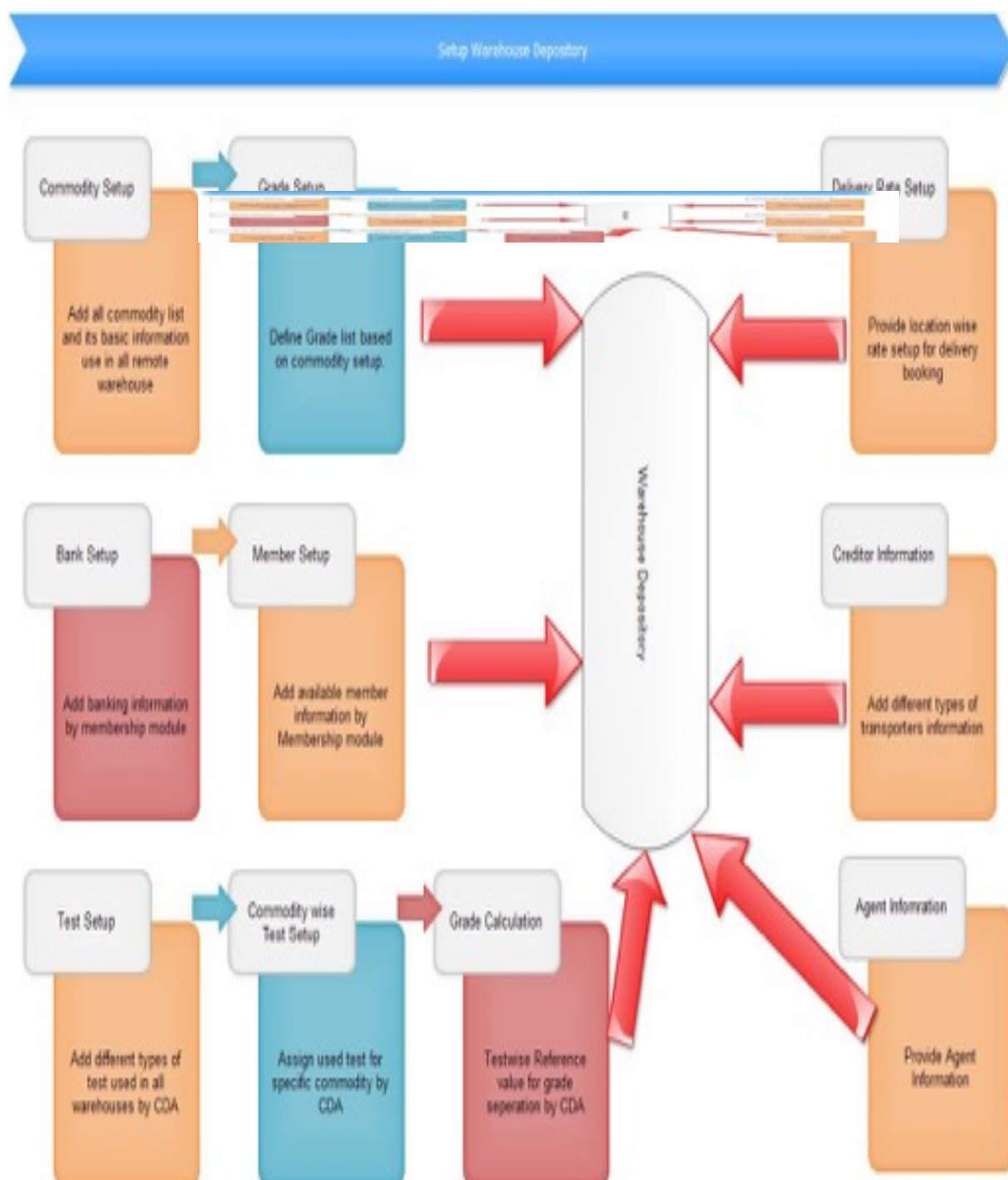
3.13.2 Key Features of the System

- User Friendly-
 - o Web based Software
 - o Client Setup
- Technical Features-
 - o Should be developed in Latest technology Microsoft ASP.NET MVC4 & SQL Server 2012/2014 User, Role & Security Management module
 - o Should integrate the system into Bank for warehouse Pledging
 - o Should integrate the system into trading platform based on service/API
- Functional Features-
 - o **Provision to manage Multiple Warehouses** – The System should be capable of handling multiple warehouses that are connected to the central depository.
 - o **Provision to define Commodities & Grade**- The System should give the flexibility to specify multiple grades for multiple commodities. Adding a new commodity or grade is simple.
 - o **User Accounts**- The system should allow to set up accounts for various users at the warehouse for operational purposes like Grader, Weightier, Manager, Supervisor; In addition the various modules will allow the different users like Depository staff, Bank officials and regulators with respective functional access.
 - o **Test and grade records**- User should be able to define different types of Test and Define commodity wise test Commodity Grade Sampling Transportation Setup Delivery Rate Setup.

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- o **Confidentiality in Operations-** The system should allow to generate a deposit code and graders be able to assign the input based on this. This is to maintain confidentiality for the operations.
- o **Deposit Scheduling-** In case of scheduling of delivery, the system should allow the warehouse operator to schedule delivery and advance book the deposit.
- o **Deposit Receipt Entry & Generation of GRN-** It should allow the warehouse operator to accept the deposit and issue the receipt to the depositor
- o **Depositor Info-** The system should be equipped to capture the detail of the depositor so that proper audit can be conducted if required. Also it will be useful to generate MIS report.
- o **Bank Pledge-** The system should be equipped to have interaction with the banks for pledging the warehouse receipt. The system allows the banker to access the system, view and verify the authenticity of the warehouse receipts, pledge the receipts and allow/restrict the sale of the receipts.
- o **Title transfers-** The system should allow the depository to transfer the titles to the warehouse receipts electronically.
- o **Delivery Instruction (DI)-** The system should be able to receive delivery instructions being issued by the central depository unit. When the E WHR owner requires to withdraw the stock, the central depository after necessary checks should be able to electronically instruct the concerned warehouse to issue the physical stock against the warehouse receipt.
- o **Handover Process-** The system should be able to capture all relevant information when the handover of the stock against a warehouse receipt happens.
- o **Inter-warehouse Transfer-** The system should allow transfer of stock between different warehouses. This will be specifically useful when the exchange has to operate in different countries.
- o **Lot Control in Warehouse-** The system should allow to have lot based control in the warehouse. Deposits should be tracked through lots in the system.
- o **MIS reporting-** The system should generate different types of MIS Report like Client Sales Reports, Consolidate Stock Position, Expiry Report, Commodity Withdrawal Report etc.

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4. TECHNICAL REQUIREMENTS

4.1 Hardware, System Software and Network Connectivity

Bidders should supply all the necessary hardware (including servers, workstations, different types of storages like SAN/NAS etc., backup devices and printers etc.), system software (including operating system, RDBMS, development tools etc.) and networking equipment that are required for optimal performance of the trading system and clearing & settlement system at the Exchange and DR site. Bidders may subcontract the supply of hardware, system software, networking equipment and Data Centre design and its implementation, Access control mechanism etc. to local companies in Kenya. The sizing of the hardware, system software and networking equipment should be specified in the following format based on the following information:

Day 1 Projected growth over next 5 years

Number of Orders per day

Number of trades per day

Number of commodities companies

Number of custodian banks

Number of users

Types of Instruments

Markets

Number of commodities traded 06

Number of investors

Total number of Deposits, Transfers per day

Number of Registrars

Number of Warehouses

The above requirements are indicative only. The proposed solution should be scalable at all levels. Bidders should indicate the maximum load that their system can sustain. Full technical details and performance metrics on the scalability of the proposed system should be given. The proposed configuration should provide for the setting-up of a test environment at the Exchange. The trading system and clearing & settlement system will be located in a single data centre at Exchange and the two systems will run on the same network.

Bidders should give the detailed list and specifications of hardware (including servers, workstations, different types of storages like SAN/NAS etc., backup devices and printers etc.) and networking equipment that will be supplied for each of the two systems. The proposed configurations should provide for a test environment too.

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4.2 Architecture and connectivity

1. Describe your proposed technical architecture for all the system using illustrative diagrams. This should show all components such as the database server, application server, test/training server, firewall(s), web server(s), web browser, minimum workstation requirements, remote access, wireless connectivity (if any), network connectivity to LANs and WAN etc. Give connectivity requirements for members, custodian, bankers, warehouse, data bidders and other stakeholders to connect to the trading system and clearing and settlement system taking into consideration the types of connectivity solutions that are currently available in Kenya.
2. Does the solution include a network management tool? If yes, provide details.
3. Is the trading front-end browser based? If yes, which browser is your application compatible with?
4. Can users access the trading system using mobile devices? If yes, provide details.
5. Describe how data will be disseminated in real-time over the Internet.
6. Describe how data bidders will connect to the trading system to receive data in real-time in FIX format.
7. Describe how order routing network or order management systems will connect to the FIX order gateway.

4.3 High Availability and Disaster Recovery

Bidders should provide redundant components on critical equipment at the main site such that trading activity and clearing and settlement operations at Exchange is not halted because of failure of hardware or network component at the main site or at production site. Bidders should also provide a hot disaster recovery (DR) site with servers and other equipment that will be hosted in a separate location from Exchange. In the event of a disaster at the main site or at production site, it should be possible to switch trading activity and clearing and settlement operations and warehouse receipt system to the DR site with minimum manual intervention. Preference will be given to systems that also have fault- tolerance or failover features at application level.

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1. Provide detailed description on how high-availability is achieved at the main site in relation to both trading system and clearing and settlement system?
2. Describe the set-up, connectivity and switch-over to the DR site in the event of a failure in relation to both trading system and clearing and settlement system.
3. Describe the fault tolerance and failover capability of trading system and clearing and settlement system.
4. How is the integrity and consistency of data preserved in the event of a failure in relation to both trading system and clearing and settlement system.
5. Describe business resumption/disaster recovery approach/recommendation capability in the event of a system failure, onsite and backup (DR) site.
6. Describe the functions/features of your proposed systems that enable effective business continuity and disaster recovery processes (onsite and at backup (DR) site).
7. Will you allow the Exchange to use your software to do disaster recovery testing and in the case of a declared disaster within the licensing agreement, at no additional cost to the Exchange?
8. Describe the archival and retrieval tools that are provided with your products.
9. How do you propose to achieve effective data backup and recovery (main site and DR site) for your proposed system?
10. What medium is used to store the backup information?
11. Does your system provide alerts and warnings about data storage capacity, that is, in the event that memory space is running out? If yes, provide details.

4.4 Data Centre for Main Trading Site and Disaster Recovery Site

The technology suite will be located in the main data centre of Exchange and all the systems will run on the same network. Bidders should quote for all the equipments (including data cabling, electrical installation, UPS, air conditioning, Diesel Generator set, bio metric/Access control mechanism, racks for mounting servers, SAN/NAS, fire extinguisher system, CCTV camera, false flooring, false ceiling etc.) that will be required to make the data centre Tier 2 compliant and provide a detailed list of additional equipment that will be required. Bidders may subcontract the setting up of main data centre and DR centre and the supply of relevant equipment by local companies in Kenya. Bidders are strongly advised to visit the premises of the Exchange to have a good understanding of the requirements regarding the data centre and the DR site.

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4.5 Hardware and System software required at the third party sites

Bidders should provide a detailed list and specifications of hardware, system software and networking equipment that will be required at the sites of Members/Banks/Warehouse Managers to run the trading and clearing and settlement system front-end software and its networking connectivity.

4.6 Scalability

Provide response to the following questions for the trading and clearing and settlement system separately.

- 1) Describe how scalable your solution is, including any appropriate metrics.
- 2) What is the maximum number of concurrent users that can be supported by your solution?
- 3) Provide any scalability benchmarks (e.g. best/average/poor response time, transaction throughput).
- 4) Relate the scalability issues encountered at two of your largest customers. How were they handled?
- 5) What types of system resources profiling tools are available with your system for capacity estimation? Can these tools be utilized for ongoing capacity planning? Are there specific tools with which your tools will integrate?
- 6) Describe how your system provides load-balancing features across multiple servers? What are the system/hardware requirements to support load balancing?

4.7 Performance

1. Provide performance metrics and benchmarks of the trading and clearing and settlement system.
2. Describe the speed/latency of your trading engine.
3. What is the minimum network bandwidth required for user desktop for your system to consistently deliver 2 seconds or less response time?
4. What is the maximum number of orders and concurrent users that can be processed with the proposed configuration?
5. Does the real-time interface with the clearing and settlement system have an impact on the performance of the automated trading system?

4.8 Security

Provide response to the following questions for each of the components of the technology suite separately.

1. Describe the security features of your solution at application software, hardware, system software and network level.
2. Describe the identification and authorization capabilities of your proposed solution
 - a) For Users and
 - b) For system administrators and DBAs.

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3. What levels of security can be defined for the application?
4. Describe the security audit capabilities of your proposed solution.
5. The time between when a software bidder announces a security flaw and the time the flaw is resolved is becoming shorter.
 - a) Would you commit to having critical security vulnerabilities patched on the system you are proposing within 10 business days after the public announcement by the bidder (e.g. Microsoft SQL server, Oracle etc.).
 - b) Would you commit to revising your software to interoperate with Microsoft Windows operating system critical security patches within 10 business days after public announcement (typically posting on web page) by Microsoft?
6. Does your proposed solution have:
 - a) The ability to automatically generate a random default password for the users' first use?
 - b) The ability to automatically prompt users to change the default password on the first use?
 - c) The ability to require that default passwords shipped with the application can be changed immediately after logging onto the computer?
 - d) The ability to limit (re)authentication to three (3) unsuccessful attempts?
 - e) A time-out capability for periods of user inactivity greater than 30 minutes? Can this capability (number of minutes of inactivity before the time-out engages) be changed by the user? System administrator?
 - f) The ability to require a password to reactivate the user session that has been suspended due to a predefined period of activity? If yes, describe.
 - g) The ability to prevent passwords from being written to activity, log or audit files?
 - h) The ability to prevent passwords from being displayed on the monitor screen?
 - i) The ability for successful log-ons to display the date and time of the last log-on so that users can determine if someone else might have used their ID/password without their knowledge?
 - j) The ability for passwords to be at least 8 characters in length? Describe your proposed system's password capabilities (lengths, characters, alpha, non alpha, etc.).
 - k) The ability for users to change their own passwords, if the system permits?
 - l) The ability to require that new passwords differ from previous passwords?
 - m) The ability to require that user and administrators passwords be changed every X days?
 - n) The ability to have different required password change intervals for users and administrators? For example, 60 days for users and 30 days for administrators.
 - o) The ability to require that when a password is changed, the old password must be provided by the user before a new password can be created?

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7. Before software is released into general use, describe the security testing performed. Who performs the testing? Describe the process.
8. What will you do to address vulnerabilities in your product discovered subsequent to the Exchange deploying your code? In what time interval will they be fixed (critical & non critical)? At what cost to the Exchange?
9. Does your proposed system use or require hard-coded passwords anywhere (e.g. in the application, scripts, database)? If yes, provide details.
10. Describe your proposed systems' abilities to use electronic signatures, if any.

4.9 System Administration

Provide response to the following questions for each system separately.

- (i) Describe the system administration tools available for your solution and the skill-set required to administer the application. Describe the ability of the tool to monitor workflow, performance, issues etc.
- (ii) How many system administrators do you recommend?
- (iii) Is online system monitoring available as part of your product? What alerts are generated if there is a problem?
- (iv) What are the system's performance metrics and usage monitoring capabilities?
- (v) Does your product offer a scheduling component? Does it offer an event based scheduling?
- (vi) For ad-hoc querying, do you offer a tool to limit and monitor complex/resource intensive queries and processes?
- (vii) Do these tools integrate with distributed system management tools such as Tivoli? If yes, briefly describe how.
- (viii) Can system and configuration settings be modified easily?
- (ix) Are there any routine maintenance requirements? Explain.
- (x) Is remote administration of the system possible? Explain.
- (xi) How is a major system component or service failure handled? Explain.
- (xii) Does your product integrate with version control tools? If yes, briefly describe how.

5. IMPLEMENTATION AND SUPPORT SERVICES

This section outlines the requirements for support services and training with an overall objective to ensure that the effective operations of the Exchange and its systems are accomplished with all the considerable requirements for training, support and internal information skills.

5.1 Implementation Services

The successful bidder shall appoint a **Project Manager** in respect of its obligations under the Project Agreement to be signed between KOMEX and the bidder. The bidder's project manager will form part of the **Project Implementation Committee (PIC)** to be set up by KOMEX and shall attend all meetings of the PIC. The PIC shall also comprise of executives and directors of the Exchange and consultants appointed by the Exchange. In the event that the bidder subcontracts the supply of hardware, system software and networking equipment etc., to local companies in Kenya, each of these suppliers should appoint a representative on the Project Implementation Committee.

1. Describe your company's project management methodology.
2. Provide a detailed implementation plan that covers all the activities that must be completed for the system to go live, taking into consideration the fact that the Exchange would like the implementation to be completed with a period of 6 months as from the date of signature of the project agreement.
3. Describe your change management approach.
4. Give the name and brief bio-data of the proposed Project Manager and the other members of your team.
5. Does the proposed Project Manager and the other members of your team have experience in the implementation of similar projects? Provide details of such experience.

5.2 Maintenance and Support Services

The bidder must be able to demonstrate the ability to provide long term support for all the components of the solution (hardware, system software, networking equipment and application software). Describe the maintenance and support process and options available for the proposed solution.

1. What are your support infrastructure and resources?
2. Do you need remote access to the server to support/maintain it? If yes, describe the method (s) and security used.

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3. State the support options that are available (telephone, mobile, e-mail, portals etc.)
4. It is mandatory that telephone support be available during business hours in Kenya. What are your telephone support hours?
5. What is the turnaround time for investigation, bug resolution and patch distribution for end user reported problems? Explain.
6. What is the promised turnaround time for fixing production problems? Provide a copy of your **Service Level Agreement (SLA)**.
7. If subcontractors are used to supply hardware, system software and networking equipment, does the Exchange have to enter into separate maintenance agreement with these subcontractors?
8. Describe the method used by your company to calculate maintenance and support cost.
9. Are all upgrade costs covered by ongoing maintenance contracts? If not, describe the pricing structure of product upgrades.
10. Are change requests covered in the maintenance contract? If not, what are the applicable costs?

5.3 Training and Documentation

The successful bidder shall provide adequate training and documentation for systems administrators, KOMEX trading and surveillance personnel, clearing and settlement personnel, members, regulators, custodian banks and Warehouse Managers. Also, provide detailed information, separately for the trading system and clearing and settlement system and other systems, on the training courses and the documentation that will be provided for systems administrators, KOMEX trading and surveillance personnel, clearing and settlement personnel, members and custodian banks. A train the trainer approach would be acceptable to KOMEX.

The training to be provided to system administrators should allow the latter to troubleshoot problems and provide first-level application support. Explain how this is critical component of the training services will be provided.

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6. TECHNICAL PROPOSAL

6.1 Standard Contract

Bidders should provide samples of the standard contract and conditions of business, applicable to all the components of the technology suite including:

- a) Hardware and networking equipment
- b) System software license
- c) Project Agreement covering automated trading system and clearing and settlement system licenses and implementation services
- d) Maintenance Agreements for automated trading system and clearing and settlement system licenses (including a Service Level Agreement).
- e) Comprehensive Maintenance Agreements for duration of 3 years for hardware, system software and networking equipment.

The bidder must clearly indicate who will be the parties to the Maintenance Agreements for hardware, system software and networking equipment.

Once the evaluation of proposals is completed, KOMEX will enter into contract negotiations with the successful bidder to ensure that all the provisions of the respective agreement would be acceptable to the Exchange.

6.2 Systems Acceptance and Warranty

- (i) The automated trading system and clearing & settlement system will be considered fully installed and functional, when operation of the systems are to be satisfied by the Exchange (i.e., on successful completion of **User Acceptance Test**). After all the components of the technology suite have been installed and tested during UAT, bidder shall certify in writing to KOMEX that the systems are ready for use in a live environment.
- (ii) The bidder should specify - what warranty would be in place for the different components of the system?
- (iii) Preference will be given to bidders that provide warranty for 12 months from live date on all components of the technology suite.

6.3 Performance Security

The successful bidder shall be required to furnish with KOMEX, a performance security for an amount equal to 10% of total bid sum in Kenya Shillings. The proceeds of the performance security shall be payable to KOMEX as a compensation for any loss resulting from the bidder's failure to complete its obligations under the project agreement. The performance security will be discharged by KOMEX and returned to the bidder not later than 90 days following the date when the Commodities Exchange goes live with the technology suite.

6.4 Advance Payment Guarantee

The successful bidder shall be required to submit an Advance Payment Bank Guarantee issued by a Bank licensed by the Central Bank of Kenya and in an amount equivalent to the advance payment to be made to the bidder by KOMEX. The Advance Payment shall not exceed 20% of the total bid sum. The objective is to allow KOMEX to recover any advance payment made to the bidder in the event that the latter fails to abide by the terms and conditions of the project agreement.

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6.5 Source Code in Escrow

The Exchange will require the successful bidder to place the source code of the trading technology suite in escrow with a reputable agency for the duration of the warranty and maintenance periods. The escrow will be released to and become the property of KOMEX in the event that the project agreement is terminated for either default or insolvency, or should the bidder give notice of its intention to cease to provide maintenance or technical support services for the software as required by the agreement subject to KOMEX having met all its obligations under the contract.

All the costs relating to the escrow shall be borne by the bidder.

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7. FINANCIAL PROPOSAL

7.1 Costs

For each of the systems, separate detailed costs should be given for each component and there should be an overall summary which details the total costs which the Exchange will incur for the complete implementation and maintenance of each of the systems. This is required so that KOMEX can determine the costs of the each system separately. When determining the cost of each system, the costs of such common items will be allocated to each system on a 50:50 basis. All costs should be quoted in Kenya Shillings and should be inclusive of any duties and taxes payable in Kenya. The bidder should specify the terms and conditions of payment.

For each of the systems, the cost information should include the following:

- Application software license fee
- Implementation fee
- Operating system and other systems software license fee
- Database license fee
- Membership Registration Support Fees per registered user
- Software System Support fees per registered user
- Hardware and networking equipment (detailed list should be given and items that will be used by both systems should be shown separately)
- Hardware, system software and networking equipment at Disaster Recovery (DR) site (detailed list should be given and items that will be used by both systems should be shown separately)
- Reimbursable Project Staff and Project Implementation Out of pocket expenses (give details of travel, accommodation and other applicable expenses)
- Data Centre for Cloud Hosting (common to both systems)

Cost of items that are common to the trading technology suite (all the software applications) should be shown separately.

For each of the systems, the annual maintenance/support fee for each of the following components should be given for a period of 10 years including the one year warranty period and should not exceed a rate of 15-20% of the individual system cost per year:

- Application software
- Operating system and other systems software
- Database license
- Hardware and networking equipment
- Equipment installed in Data Centre
- Hardware, system software and networking equipment at DR site

Cost of items that are common to technology suite (all the software applications) should be shown separately.

Finally, bidders should state the total cost of ownership for procuring and running the technology suite over a period of 10 years. There should be no hidden costs.

Data Centre equipment and software installation, co-location and hosting costs should include a comparison of costs relative to international and local Data Centres.

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7.2 Payment terms

Payment terms should be based on the completion of key milestones (e.g. supply and installation of equipment, software installation, software customization, user training, user acceptance test, “Go live” date, annual maintenance contract, etc.) and should be negotiable.

A costed option should be provided for a one-off license payment after the first three years of ownership allowing KOMEX ownership rights to the source code for customization and further development.

7.3 Validity of the proposal

The proposal shall remain valid for one hundred and twenty days (120 days) from the last date of the submission of the proposal.

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SECTION VII STANDARD FORMS

Notes on Standard Forms:

1. Letter of Application (Form 7.0(a))

This form must be completed by the tenderer(s) and joint venture partners (if any) and submitted with the tender documents. It must also be duly signed and stamped by duly authorized representative of the tenderer.

2. Joint Venture Summary (Form 7.0(b))

This form must be completed by the tenderer(s) and joint venture partners (if any) and submitted with the tender documents. It must also be duly signed and stamped by duly authorized representative of the tenderer.

3. Form of Tender (Form 7.1(a))

This form must be completed by the tenderer and submitted with the tender documents. It must also be duly signed and stamped by duly authorized representative of the tenderer.

4. Form of Tender - Breakdown of Bid Sum (Form 7.1(b))

This form must be completed by the tenderer and submitted with the tender documents. It must also be duly signed and stamped by duly authorized representative of the tenderer.

5. Confidential Business Questionnaire Form (Form 7.2)

This form must be completed by the tenderer, signed, stamped and submitted with tender documents.

6. Tender Security Form (Form 7.3)

This tender security form shall be submitted with the tender documents either in the form included therein after or in another format acceptable to the procuring entity.

7. Contract Form (Form 7.4)

The Contract form shall not be completed by the tenderer at the time of submitting the tenderer at the time of submitting the tender. The contract form shall be completed after contract award.

8. Performance Security Form (Form 7.5)

The performance security form shall not be completed by the tenderer at the time of tender preparation. Only the successful tenderer will be required to provide

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performance security in the sum provided herein or in another form acceptable to the procuring entity.

9. Bank Guarantee for Advance Payment (Form 7.6)

The Bank Guarantee for Advance Payment form should not be completed by the tenderer at the time of tender preparation. When there is an agreement to have Advance payment, this form shall be duly completed and submitted.

10. Manufacturer's Authorization Form (Form 7.7)

This form must be completed by the tenderer and submitted with the tender documents. It shall also be duly signed and stamped by duly authorized representative of the tenderer.

11. Letter of Notification of Award (Form 7.8)

This form shall not be completed and submitted with the tender document. This form will be completed by the Client at the time of notification of award.

12. Form for Review (Form 7.9)

When required, this form must be completed and submitted to the Public Procurement Review Board with the tender document and supporting documents.

13. Project Staff Schedule (Form 7.10)

This form must be completed by the tenderer and submitted with the tender documents. It shall also be duly signed and stamped by duly authorized representative of the tenderer.

14. Project Staff Curriculum Vitae Format (Form 7.11)

This form must be completed by the tenderer and submitted with the tender documents. It must also be duly signed and stamped by duly authorized representative of the tenderer. All Academic Certificates submitted with the tender documents shall be notarized by a Commissioner of Oaths

15. Schedule of Experience of a Similar Nature and Complexity (Form 7.12)

This form must be completed by the tenderer and submitted with the tender documents. It shall also be duly signed and stamped by duly authorized representative of the tenderer.

16. Financial Capabilities Form (Form 7.13)

This form must be completed by the tenderer and submitted with the tender documents. It shall also be duly signed and stamped by duly authorized representative of the tenderer.

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17. Price Schedule Form (Form 7.14)

This form must be completed by the tenderer and submitted with the tender documents. It shall also be duly signed and stamped by duly authorized representative of the tenderer.

18. Form of Written Power of Attorney (Form 7.15)

This form must be completed by the tenderer and submitted with the tender documents. It shall also be duly signed and stamped by duly authorized representative of the tenderer and shall be notarized by a Commissioner of Oaths.

19. Anti Corruption Declaration/Commitment/Pledge Form (Form 7.16)

This form must be completed by the tenderer and submitted with the tender documents. It shall also be duly signed and stamped by duly authorized representative of the tenderer.

20. Litigation History Form (Form 7.17)

This form must be completed by the tenderer and submitted with the tender documents. It shall also be duly signed and stamped by duly authorized representative of the tenderer.

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7.0(a) LETTER OF APPLICATION

Date

To
Chief Executive Officer
Kenya National Multi Commodities Exchange Limited (KOMEX)
P.O. Box 30430-00100
NAIROBI - KENYA

Ladies and/or Gentlemen

1. Being duly authorized to represent and act on behalf of _____
_____ (*name of firm*)
(hereinafter referred to as “the Applicant”), and having reviewed and fully understood all of the information and tender specifications provided, the undersigned hereby apply as a lead bidder for the **Tender for Supply, Delivery, Installation, Customization, Commissioning and Equipping of a Commodities Exchange Trading Technology Suite with Operations and Maintenance Support for KOMEX**
2. Attached to this letter are copies of original documents defining
 - (a) the Applicant’s legal status
 - (b) the principal place of business and
 - (c) the place of incorporation (*for applicants who are corporations*), or the place of registration and the nationality of the owners (*for applicants who are partnerships or individually-owned firms*).
3. Your Agency and its authorized representatives are hereby authorized to conduct any inquiries or investigations to verify the statements, documents, and information submitted in connection with this application, and to seek clarification from our bankers and clients regarding any financial and technical aspects. This letter of Application will also serve as authorization to any individual or authorized representative of any institution referred to in the supporting information, to provide such information deemed necessary and as requested by yourselves to verify statements and information provided in this application, such as the resources, experience, and competence of the Applicant.

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4. Your Agency and its authorized representatives may contact the following persons for further information.

Lead Bidder	
Contact	Telephone: Email:

Trading Technology Software Partner	
Contact 1	Telephone: Email:

Payment Gateway Partner	
Contact 2	Telephone: Email:

5. This application is made with the full understanding that:

- (a) bids by the applicants will be subject to verification of all information submitted at the time of bidding.
- (b) Your Agency reserves the right to:
 - amend the scope and value of any contracts bid under this project; in such event, bids will only be called from bidders who meet the revised requirements; and
 - reject or accept any application, cancel the bidding process, and reject all applications
- (c) your Agency shall not be liable for any such actions and shall be under no obligation to inform the Applicant of the grounds for them

6. Appended to this application, we give details of the participation of each party, including technical contribution and agreements, in the joint venture or association. We also specify the expected financial commitment in terms of the quantum of the bid.

7. We confirm that if we bid, that bid, as well as any resulting contract, will be:

7.(a) signed so as to legally bind all partners, jointly and severally; and

7.(b) submitted with a joint venture agreement providing the joint and several liability of all partners in the event the contract is awarded to us.

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8. The undersigned declare that the statement made and the information provided in the duly completed application are complete, true, and correct in every detail.

Signed
Name
Company Name
For and on behalf of (name of Applicant or lead partner of a joint venture)

Company Stamp:

Signed
Name
Company Name
For and on behalf (name of Trading Technology Suite Software Partner)

Company Stamp:

Signed
Name
Company Name
For and on behalf (name of Payment Gateway Technology Partner)

Company Stamp:

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7.0(b) JOINT VENTURE SUMMARY FORMAT

Names of all partners of a joint venture
1. Lead partner (bidder):
2. Trading Technology Software Partner:
3. Payment Gateway Partner:

Total value of annual turnover, in terms of work billed to clients, in Kshs.

Annual turnover data (Combined for Partners):

Partner	Year 1	Year 2	Year 3
1. Lead Partner			
2. Trading Technology Software Partner			
3. Payment Gateway Partner			
Totals			

Signed:

Lead Bidder's Authorised Representative	Company Stamp:
---	-----------------------

Partner Bidder's Authorised Representative	Company Stamp:
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Partner Bidder's Authorised Representative	Company Stamp:
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7.1(a) FORM OF TENDER

Date _____

Tender No. _____

To

Chief Executive Officer

Kenya National Multi Commodities Exchange Limited (KOMEX)

P.O. Box 30430-00100

NAIROBI - KENYA

Dear,

1. Having examined the tender documents including Addenda Nos. *[insert numbers]* the receipt of which is hereby duly acknowledged, we, the undersigned, offer our bid for Supply, Delivery, Installation, Customization, Integration, Testing, Training and Commissioning of a Commodity Exchange Trading Technology Suite, Associated ICT Equipment and Support Services for KOMEX in conformity with the said tender documents for a combined One-off Fixed Bid Sum of Kenya Shillings (Kshs.) *(amount in words and figures)* and an Annual Fixed Bid Sum of Kenya Shillings (Kshs.) *(amount in words and figures)* with an Annual Variable Bid Sum of Kenya Shillings (Kshs.) *(amount in words and figures)* and an Optional One-off License Bid Sum of Kenya Shillings (Kshs.) *(amount in words and figures)* and a Maximum Payment Gateway Fees Bid Sum of per centum (.....%) *(percentage in words and figures)* per transaction or such other sums as may be ascertained in accordance with the Schedule of Prices, third party quotations submitted and Form 7.1(b) attached herewith and made part of this Tender.

2. We undertake, if our Tender is accepted, to undertake the Supply, Delivery, Installation, Customization, Integration, Testing, Training and Commissioning of a Commodity Exchange Trading Technology Suite, Associated ICT Equipment and Support Services for KOMEX in accordance with the delivery schedule specified in the Schedule of Requirements.

3. If our Tender is accepted, we will obtain the guarantee of a bank in a sum of equivalent to 10 percent of the One-off Fixed Bid Sum Amount + Annual Fixed Bid Sum Amount for the due performance of the Contract, in the form prescribed by Kenya National Multi Commodities Exchange Limited (KOMEX) *(Procuring entity)*.

4. We agree to abide by this Tender for a period of One Hundred and Twenty (120) days from the date fixed for tender opening of the Instructions to tenderers, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

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5. This Tender, together with your written acceptance thereof and your notification of award, shall constitute a Contract, between us. Subject to signing of the Contract by the parties.

6. We understand that you are not bound to accept the lowest or any tender that you may receive.

Dated this _____ day of _____ 20__

[signature]

[in the capacity of]

Duly authorized to sign tender for an on behalf of _____

Tender for Supply, Delivery, Installation, Customization, Commissioning and Equipping of a Commodities Exchange Trading Technology Suite with Operations and Maintenance Support for KOMEX

7.1(b) FORM OF TENDER - BREAKDOWN OF BID SUM				
S.NO.	ITEM	AMOUNT (KSH.)	VAT (KSH.)	TOTAL (KSH.)
A	COMMODITY EXCHANGE TRADING TECHNOLOGY SUITE			
1	On Premise and Cloud Server (Hybrid) Software Systems Supply, Delivery, Installation & Customization			
2	On Premise and Cloud Server (Hybrid) Software Systems Integrations to 1st-party & 3rd-party Systems			
3	End User Training, User Acceptance Testing & "Go Live" Commissioning			
	Sub-Total A (Total 1+2+3)			
B	EQUIPMENT (Attach quotations & price schedule based on bidder sizing recommendations)			
4	On premise/Colocation Data Centre Core ICT Equipment Supply, Delivery & Installation			
	Sub-Total B			
	ONE-OFF FIXED BID SUM (Sub-Totals A+B)			
C	ANNUALIZED SYSTEM SUPPORT SERVICE FEES (Expenses reimbursable monthly/quarterly)			
5	Proposed Project Staff Remuneration			
6	Transport & Daily Subsistence Allowances (Foreign & Local) subject to prior written approval by KOMEX			
7	Other, Communications, Printing, Incidentals, etc.			
	Sub-Total C (Total 5+6+7)			
D	ANNUALIZED SYSTEM LICENSE, MAINTENANCE AND HOSTING FEES (Attach quotations based on bidder recommendations)			
8	Annual License Fees/Renewal (Software & Database)			
9	Annual Maintenance Contract			
10	Cloud Hosting (Third Party)			
	Sub-Total D (Total 8+9+10)			
	ANNUALIZED FIXED BID SUM (Sub-Totals C+D)			
E	ANNUALIZED VARIABLE SYSTEM SUPPORT SERVICE FEES (Fees based on number of Systems Users)			
11	Member Registration & Training Support Fees per user			
12	Software Support Services Fees per Registered user			
	ANNUALIZED VARIABLE BID SUM (E) Sub-Total E (Total 11+12)			

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F	OPTIONAL FEES (Paid less any similar fees already paid by time of exercising the option)			
14	One-off Software License Fees (should not exceed annual license fees for 10 years)			
	Sub-Total F (Total 14)			
G	INTEGRATED PAYMENT GATEWAY FEES (Fees to be incurred by users for receivables and payments exclusive of taxes)			
S.NO.	ITEM	Flat Charge (KSHS.)	Minimum Rate (%)	Maximum Rate (%)
15	Mobile Cash Transaction Fees			
16	Mobile/Online Banking Transfers Transaction Fees			
17	Online Credit/Debit Card Transaction Fees			
18	PDQ Transaction Fees			
	Sub-Total G (Total 15+16+17+18)			

Signed:

Date: _____

Lead Bidder's Authorised Representative

Company Stamp:

**Tender for Supply, Delivery, Installation, Customization, Commissioning and
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7.2 CONFIDENTIAL BUSINESS QUESTIONNAIRE FORM

You are requested to give the particulars indicated in Part 1 and either Part 2(a), 2(b) or 2 (c) whichever applied 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.

Plot No..... Street/Road

Postal Address Tel. No. Fax

Email

Nature of Business

Registration Certificate No.

Maximum value of business which you can handle at any one 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: Given details of partners as follows:

	Name	Nationality	Citizenship Details	Shares
1.				
2.				
3.				
4.				

Part 2 (c) – Registered Company:

Private or Public

State the nominal and issued capital of company-

Nominal Kshs. Issued Kshs.

Given details of all directors as follows:

	Name	Nationality	Citizenship Details	Shares
1.				
2.				
3.				
4.				

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7.3 TENDER SECURITY FORM

Whereas [Name of the tenderer] (hereinafter called
“the tenderer”) has submitted its tender dated [date of submission of tender] for the
supply, installation and commissioning of [name and/or
description of the equipment] (hereinafter called “the Tender”)
.....

KNOW ALL PEOPLE by these presents that WE of
..... having our registered office at
(hereinafter called “the Bank”), are bound unto [name of Procuring entity]
(hereinafter called “the Procuring entity”) in the sum of for
which payment well and truly to be made to the said Procuring entity, the Bank binds itself,
its successors, and assigns by these presents. Sealed with the Common Seal of the said Bank
this _____ day of _____ 2017.

THE CONDITIONS of this obligation are:-

1. If the tenderer withdraws its Tender during the period of tender validity specified by
the tenderer on the Tender Form; or
2. If the tenderer, having been notified of the acceptance of its Tender by the Procuring
entity during the period of tender validity:
 - (a) fails or refuses to execute the Contract Form, if required;
 - (b) fails or refuses to furnish the performance security in accordance with the
Instructions to tenderers;

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

This tender 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 above date.

[signature of the bank] _____

(Amend accordingly if provided by Insurance Company)

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7.4 CONTRACT FORM

THIS AGREEMENT made the _____ day of _____ 20__ between
..... [name of Procurement entity] of [country of Procurement entity]
(hereinafter called “the Procuring entity) of the one part and [name of
tenderer] of [city and country of tenderer] (hereinafter called “the tenderer”) of
the other part;

WHEREAS the Procuring entity invited tenders for [certain goods] and has accepted a tender
by the tenderer for the supply of those goods in the sum of
[contract price in words and figures] (hereinafter called “the Contract Price).

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 referred to:
2. The following documents shall be deemed to form and be read and construed as part of this Agreement viz:
 - (a) the Tender Form and the Price Schedule submitted by the tenderer
 - (b) the Schedule of Requirements
 - (c) the Technical Specifications
 - (d) the General Conditions of Contract
 - (e) the Special Conditions of contract; and
 - (f) the Procuring entity’s Notification of Award
3. In consideration of the payments to be made by the Procuring entity to the tenderer as hereinafter mentioned, the tenderer hereby covenants with the Procuring entity to provide the goods and to remedy the defects therein in conformity in all respects with the provisions of this Contract.
4. The Procuring entity hereby covenants to pay the tenderer in consideration of the provisions of the goods 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.

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IN WITNESS whereof the parties hereto have caused this Agreement to be executed in
accordance with their respective laws the day and year first above written.

Signed, sealed, delivered by _____ the _____ (for the Procuring entity)

Signed, sealed, delivered by _____ the _____ (for the tenderer in the presence of

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7.5 PERFORMANCE SECURITY FORM

To

Chief Executive Officer

Kenya National Multi Commodities Exchange Limited (KOMEX)

P.O. Box 30430-00100

NAIROBI - KENYA

WHEREAS [*name of tenderer*] (hereinafter called “the tenderer”) has undertaken , in pursuance of Contract No. [*reference number of the contract*] dated _____ 20____ to supply [*description of goods*] (hereinafter called “the Contract”).

AND WHEREAS it has been stipulated by you in the said Contract that the tenderer shall furnish you with a Performance Bond issued by an Insurance Company licensed by the Insurance Regulatory Authority of Kenya for the sum specified therein as security for compliance with the Tenderer’s performance obligations in accordance with the Contract.

AND WHEREAS we have agreed to give the tenderer a guarantee:

THEREFORE WE hereby affirm that we are Guarantors and responsible to you, on behalf of the tenderer, up to a total of [*amount of the guarantee in words and figure*] and we undertake to pay you, upon your first written demand declaring the tenderer to be in default under the Contract and without cavil or argument, any sum or sums within the limits of [*amount of guarantee*] as aforesaid, without you needing to prove or to show grounds or reasons for your demand or the sum specified therein.

This guarantee is valid until the _____ day of _____ 20____

Signed and seal of the Guarantors

[*name of bank or financial institution*]

[*address*]

[*date*]

(Amend accordingly if provided by Insurance Company)

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7.6 BANK GUARANTEE FOR ADVANCE PAYMENT

To
Chief Executive Officer
Kenya National Multi Commodities Exchange Limited (KOMEX)
P.O. Box 30430-00100
NAIROBI - KENYA

[name of tender]

Gentlemen,

In accordance with the payment provision included in the Special Conditions of Contract, which amends the General Conditions of Contract to provide for advance payment, *[name and address of tenderer]* (hereinafter called “the tenderer”) shall deposit with the Procuring entity a bank guarantee to guarantee its proper and faithful performance under the said Clause of the Contract an amount of *[amount of guarantee in figures and words]*.

We, the *[bank or financial institutions]*, as instructed by the tenderer, agree unconditionally and irrevocably to guarantee as primary obligator and not as surety merely, the payment to the Procuring entity on its first demand without whatsoever right of objection on our part and without its first claim to the tenderer, in the amount not exceeding *[amount of guarantee in figures and words]*.

We further agree that no change or addition to or other modification of the terms of the Contract to be performed there-under or of any of the Contract documents which may be made between the Procuring entity and the tenderer, shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition, or modification.

This guarantee shall remain valid in full effect from the date of the advance payment received by the tenderer under the Contract until *[date]*.

Yours truly,

Signature and seal of the Guarantors

[name of bank or financial institution]

[address]

[date]

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7.7 MANUFACTURER'S AUTHORIZATION FORM

To
Chief Executive Officer
Kenya National Multi Commodities Exchange Limited (KOMEX)
P.O. Box 30430-00100
NAIROBI - KENYA

WHEREAS[*name of the manufacturer*]
who are established and reputable manufacturers of [*name and/or
description of the goods*] having factories at [*address of factory*]
do hereby authorize [*name and address of Agent*] to submit a tender,
and subsequently negotiate and sign the Contract with you against tender No.
..... [*reference of the Tender*] for the above goods manufactured by us.

We hereby extend our full guarantee and warranty as per the General Conditions of Contract
for the goods offered for supply by the above firm against this Invitation for Tenders.

[*signature for and on behalf of manufacturer*]

Note: This letter of authority should be on the letterhead of the Manufacturer and should be
signed by an authorized person.

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7.8 LETTER OF NOTIFICATION OF AWARD

Kenya National Multi Commodities Exchange Limited (KOMEX)

P.O. Box 30430-00100

NAIROBI - KENYA

To

RE: Tender No. _____

Tender Name _____

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 ACCOUNTING OFFICER

**Tender for Supply, Delivery, Installation, Customization, Commissioning and
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7.9 FORM RB 1

FORM FOR REVIEW(r.203(1))

PUBLIC PROCUREMENT ADMINISTRATIVE REVIEW BOARD

APPLICATION NO.....OF.....20.....

BETWEEN

.....APPLICANT

AND

.....RESPONDENT (*Procuring Entity*)

Request for review of the decision of the..... (*Name of the Procuring Entity*) of
.....dated the...day of20.....in the matter of Tender No.....of
.....20...

REQUEST FOR REVIEW

I/We.....,the above named Applicant(s), of address: Physical
address.....Fax No.....Tel. No.....Email, hereby request the Board to
review the whole/part of the above mentioned decision on the following grounds , namely:-

1.

2.

etc.

By this memorandum, the Applicant requests the Board for an order/orders that: -

1.

2.

etc.

SIGNED(Applicant)

Dated on.....day of/...20...

FOR OFFICIAL USE ONLY

Lodged with the Secretary Public Procurement Administrative Review Board on day of
.....20.....

SIGNED

Board Secretary

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7.10 PROJECT STAFF SCHEDULE

Name of Applicant (Bidder)

1.	Title of position: Name of candidate: Academic Qualifications: Years of Experience (Post Graduation): Proposed Project Time Allocation (Days per month):
2.	Title of position: Name of candidate: Academic Qualifications: Years of Experience (Post Graduation): Proposed Project Time Allocation (Days per month):
3.	Title of position: Name of candidate: Academic Qualifications: Years of Experience (Post Graduation): Proposed Project Time Allocation (Days per month):
4.	Title of position: Name of candidate: Academic Qualifications: Years of Experience (Post Graduation): Proposed Project Time Allocation (Days per month):

Signed:

Date: _____

Lead Bidder's Authorised Representative

Company Stamp:

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7.11 PROJECT STAFF CURRICULUM VITAE FORMAT

Name of Applicant (Bidder)

Position	Employment Terms * Permanent * Contract	
Candidate information	1. Name of candidate	2. Date of birth
	3. Accademic qualifications	
Present employment	4. Name of employer 5. Address of employer	
Telephone	Contact (manager/personnel officer)	
Fax	E mail	
Job title of candidate	Years of post graduation experience	

Summarize most relevant professional experience gained over the past 5 - 10 years, starting with the most recent. Indicate particular technical and managerial experience relevant to the Project.

From	To	Company/Project/Position/Relevant technical and management experience

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Signed:

Date: _____

Project Staff

Lead Bidder’s Authorised Representative

Lead Bidder’s Company Stamp:

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7.12 SCHEDULE OF EXPERIENCE OF SIMILAR NATURE AND COMPLEXITY

Name of Applicant or partner of a joint venture

Use a separate sheet for each contract.

1.	Number of contract	
	Name of Contract	
	Country	
2.	Name of employer/client	
3.	Employer address	
4.	Nature of project and special features relevant to the contract for which the Applicant is bidding	
5.	Contract role (check one) * Sole contract * Management contract * Subcontract * Partner in a joint venture	
6.	Value of the total contract/subcontract/partner share (in specified currencies at completion, or at date of award for current contract)	
7.	Date of award	
8.	Date of completion	
9.	Contract/subcontract duration (years and months) - years - months	
10	Specified requirements (Scope)	

Signed:

Date: _____

Lead Bidder's Authorised Representative

Company Stamp:

Partner Bidder's Authorised Representative

Company Stamp:

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7.13 FINANCIAL CAPABILITY FORMAT

Name of Applicant or partner of a joint venture

Banker	Name of banker
	Address of banker
	Telephone Contact name and title
	Fax E mail

Financial information in Kshs.	Audited: previous three years:		
	1.	2.	3.
1. Total assets			
2. Current assets			
3. Total liabilities			
4. Current liabilities			
5. Profits before taxes			
6. Profits after taxes			

Signed:

Date: _____

Lead Bidder's Authorised Representative

Company Stamp:

Partner Bidder's Authorised Representative

Company Stamp:

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7.14 SCHEDULE OF REQUIREMENTS AND PRICES

No	Item Description	Qty	Unit Price Kshs	Installation Period	Installation Price	Total Price Kshs
Total Price Kshs						

Authorized Official: _____
Name Signature

Date

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7.15 FORM OF WRITTEN POWER OF ATTORNEY

The Bidder shall state here below the name(s) and address of his representative(s) who is/are authorized to receive on his behalf correspondence in connection with the Bid.

.....
(Name of Bidder's Representative in block letters)

.....
(Address of Bidder's Representative)

.....
(Signature of Bidder's Representative)

Alternate:
(Name of Bidder's Alternate Representative in block letters)

.....
(Address of Bidder's Alternate Representative)

.....
(Signature of Bidder's Alternate Representative)

*To be filled by all Bidders.

*Both representative and alternate must attach copy of National Identification card or Passport

Signed: _____ Date: _____

Bidder Authorised Official Company Stamp/Seal:

Signed: _____ Date: _____

Commissioner of Oaths Stamp:

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7.16 ANTI CORRUPTION DECLARATION/COMMITMENT/PLEDGE FORM

I/We of Post
Office Box declare that I/ We
recognize that Public Procurement is based on a free, fair and competitive tendering
process which should not be open to abuse.

I/We Declare
that I/We will not offer or facilitate, directly or indirectly, any inducement or
reward to any public officer, their relations or business associates, in connection
with tender No. for or in the subsequent
performance of the contract if I/We am/are successful.

Signed by
C.E.O. or Authorized Representative.

Name

Designation..... Signature.....
Date.....

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7.17 LITIGATION HISTORY FORMAT

Name of Applicant or partner of a joint venture

Applicants, including each of the partners of a joint venture, should provide information of any history of litigation or arbitration resulting from contracts executed in the last five years or currently under execution (Instructions to Applicants, para. 4.8). A separate sheet should be used for each partner of a joint venture.

Year	Award FOR or AGAINST Applicant	Name of client, cause of litigation, and matter in dispute	Disputed amount (current value Kshs.)

Signed:

Date: _____

Lead Bidder's Authorised Representative

Company Stamp:

Partner Bidder's Authorised Representative

Company Stamp: