

**INVITATION FOR REQUEST FOR PROPOSAL FOR PROVISION OF A STANDBY LETTER OF CREDIT FACILITY IN FAVOUR OF MENENGAI 105MW GEOTHERMAL PROJECT**

**BACKGROUND**

Geothermal Development Company Limited (GDC) and The Kenya Power and Lighting Company Limited (KPLC) are pleased to invite proposals from Commercial Banks to act as the Letter of Credit (L/C) Issuing Bank in connection with the Menengai 105MW project in Kenya, Nakuru County. The transaction will involve the issuance of a Standby L/C in favour of the Independent Power Producers (IPPs) QPEA GT Menengai Ltd, OrPower 22 Limited and Sosian Menengai Geothermal Power Ltd registered in Kenya. The IPPs have entered into a Project Implementation and Steam Supply Agreement (PISSA) with GDC and a Power Purchase Agreement with KPLC, to each develop a 35 MW Geothermal Power generating plant to be located at the Menengai Geothermal Field. The L/C will be a payment security to the IPPs backstopping the payment obligations of both GDC and/or KPLC as the case may be under the PISSA and the PPA, respectively. Any amounts drawn under the L/C will be repaid by GDC and/or KPLC in accordance with the terms of a Reimbursement and Credit Agreement (RCA) to be entered into between GDC and KPLC and the selected L/C Issuing Bank. The repayment obligation of GDC and KPLC to the selected L/C Issuing Bank will be guaranteed by the African Development Fund under its partial risk guarantee (PRG).

**PROPOSED TRANSACTION**

GDC and KPLC, on behalf of the Government of the Republic of Kenya hereby invite prospective Commercial Banks to respond to this Request for Proposal (RFP) for the provision of this L/C Facility to be guaranteed by the African Development Fund Partial Risk Guarantee.

There will be a Pre-Bid Conference for tenderers or their representatives who choose to attend on the **6th November, 2017 at 10.00am East African time at GDC Kawi house, office South C, Nairobi.**

**METHOD OF APPLICATION**

Interested Banks may obtain a complete set of bidding documents from [www.gdc.co.ke](http://www.gdc.co.ke) or <http://supplier.treasury.go.ke> and may obtain further information and inspect the bidding documents at the address below between 9.00am and 4.00pm during weekdays at the office of Manager, Supply Chain Geothermal Development Company Limited, Kawi House, South C.

Bidders who download the tender document **MUST** forward their particulars immediately to [dkyaka@gdc.co.ke](mailto:dkyaka@gdc.co.ke) and [procurement@gdc.co.ke](mailto:procurement@gdc.co.ke) for records and any further tender clarifications and addenda

A prospective tenderer requiring any clarification of the tender document may send in writing (email to the following address no later than fourteen (14) business days prior to the deadline for the submission of bids. The response for clarification sought will be sent in writing (e-mail in PDF format) to all bidders.

**Manager, Supply Chain  
Geothermal Development Company Limited,  
GDC Kawi House, South C  
P.O. Box 100746 – 00101  
NAIROBI, KENYA  
E-mail:**

**GDC  
[procurement@gdc.co.ke](mailto:procurement@gdc.co.ke)  
[dkyaka@gdc.co.ke](mailto:dkyaka@gdc.co.ke),  
[jachieng@gdc.co.ke](mailto:jachieng@gdc.co.ke)**

**KPLC  
[pmawala@kplc.co.ke](mailto:pmawala@kplc.co.ke)**

**AfDB  
[j.jakoet@afdb.org](mailto:j.jakoet@afdb.org)  
[r.ofori-manteafdb.org](mailto:r.ofori-manteafdb.org)**

Completed tender documents are to be enclosed in plain sealed envelopes marked with tender reference number and be addressed to:

**Managing Director & CEO  
Geothermal Development Company Limited,  
Kawi House  
South C  
NAIROBI, KENYA**

The RFP must be submitted in two (2) copies in a sealed envelope clearly marked "Request for Proposal: Provision of Letter of Credit Facility" and delivered in the Tender Box at GDC Kawi House Office, ground floor so as to be received on or before **24th November, 2017 at 2.00Pm (14.00HRS) East African Time.**

**The proposals must be valid for not less than six (6) months from the proposals opening date.**

Tenders will be opened immediately thereafter in the presence of the tenderers' representatives who choose to attend at GDC Kawi House Room.

**Please note the following: -**

1. Late submissions will be rejected.