

REF: GDC/MS/005/19-20/dk-yh

23<sup>rd</sup> August 2019.

TO: ALL BIDDERS

Dear Sirs,

**ADDENDUM 1: CLARIFICATION**

**RE: TENDER FOR SUPPLY RIG TOOLS, SPARES, CONSUMABLES & BOOSTER COMPRESSOR FOR MENENGAI GEOTHERMAL PROJECT – GDC/DO/ICB/002/2019-20**

In response to bidder's request for clarification, GDC wishes to provide the following clarification;

S.N	BIDDER'S QUESTION	GDC'S RESPONSE
1	Do you require the exact model of Densitometer which is mentioned in the technical requirement? Please provide the name of the manufacturer or can we offer an alternative Densitometer which covers all the technical specifications mentioned in the schedule?	<p><b>TECHNICAL SPECIFICATIONS</b></p> <p>DENSITOMETER  MODEL: F300S355CQBAMZZZ  SENSOR No.: 14223430  DUAL SEAL  ELECTRONIC INPUT=17.3V, 160Ma  TEMP CODE: T3A  AMBIENT TEMP: -40°C to +60°C  FLOW Cal*=7950.94.52  Dens Calc=0210402527470  D1 0. K1:2104.445  D2 1 K2:2526.931D  DT 4.7 FD30000  FLUID TEMP= -100°C to 204°C  Pmax**275 case *** none psig</p> <p>MICRO MOTION TRANSMITTER  MODEL: 2700R12BBAMZZZ  MODEL S/N: 3167065  SENSOR S/N: 14216346  VOLT 18-100 DC or 85-265 AC  POWER: 7 Watts  Temp Code: T4A  Ambient Temp: -40°C to 55°C</p>

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Section IV. Bidding Forms – 1-49	<p><b>Price Schedule and Related Services</b> The Price Schedule (I-49) requires the seller to include Import Duties, Sales Taxes and other Taxes. Under CIP Incoterms, the seller would not be responsible for Import duties and other local taxes. Kindly clarify on why GDC needs these costs included in the bid price.</p>	Please note the Incoterm required is CIP – Menengai, Nakuru County as per ITB 14.6
Section VII. General Conditions of contract - GC 12.1 – Taxes and Duties	<p><b>Clarification of Supplier's tax position, which is Not resident in Kenya</b> For Goods manufactured outside the Purchaser's country the Supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the Purchaser's country only.</p>	Please note the Incoterm required is CIP – Menengai, Nakuru County as per ITB 14.6
Section VII. General Conditions of Contract - GC 1.13.1 - <b>Inspections and Audit by the Bank</b>	<p><b>Tenderer would like notice to prepare for an audit, to have an employee present to assist and to exclude non-relevant information from the auditscope.</b> With five (5) days' prior written notice to Supplier, the Supplier shall permit the Bank and/or persons appointed by the Bank to inspect the Site and/or the Supplier's accounts and records relating to the performance of the Contract and to have such accounts and records audited by auditors appointed by the Bank if required by the Bank. A Supplier employee will accompany Bank's representative at all times during the visit. Supplier shall have the right to exclude any trade secrets, formulas, processes, monetary portions of Supplier's payroll records, any components of Supplier's fixed rates or mark-ups, third party invoices (other than reimbursable third party invoices), and inter-company material purchases and other inter-company charges, from such audit by the Bank.</p>	The requirement remain as stipulated in clause 1.13, Section VII. General Conditions of Contract of the tender document.
Section VII. General Conditions of Contract - GC 11.3 - <b>Terms of Payment</b>	<p><b>Tenderer standard payment terms for all clients is 30 days.</b> Payments shall be made promptly by the Purchaser, no later than thirty (30) days after submission of an invoice or request for payment by the Supplier, and after the Purchaser has accepted it.</p>	The payment terms is as provided in Section VIII – Particular Conditions, clause GC 11.1 of the tender document.
Section VII. General Conditions of Contract - GC 20.1 - <b>Liquidated Damages</b>	<p><b>Tenderer will pick up limited LD's per week as Purchaser's sole remedy and not as a penalty.</b> Except as provided under GC Clause 19, if the Supplier fails to deliver any or all of the Goods, by the date(s) of delivery, or perform the Related Services within the period specified in the Contract, the Purchaser may, as Supplier's sole liability, and Purchaser's sole remedy for late delivery under the Contract, deduct from the Contract Price, as liquidated damages and not as a</p>	The requirements is as provided in Section VIII – Particular Conditions, clause GC 20.1

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	penalty, a sum equivalent to the percentage specified in the PC of the Contract Price for each week of delay until actual delivery or performance, up to a maximum deduction of the percentage specified in the PC, provided that this amount shall not exceed Supplier's proportional contribution of the actual damages suffered by Purchaser. Once the maximum is reached, the Purchaser may terminate the Contract pursuant to GC Clause 28.	
Section VII. General Conditions of Contract - GC 21.1 - <b>Warranty</b>	<b>Tenderer policy is not to warrant design.</b> The Supplier warrants that all the Goods are new, unused, and of the most recent or current models, and that they incorporate all recent improvements in materials, unless provided otherwise in the Contract.	The requirement is as provided clause 21.3 – Section VIII. Particular Conditions of Contract of the tender document.
Section VII. General Conditions of Contract - GC 21.6 - <b>Warranty</b>	<b>Tenderer will not warrant remedial work not performed by itself, as it has no control over such work and Warranties are those expressly cited in the Contract only for legal certainty purposes. Tenderer will pick up reasonable, direct and documented remedial costs subject to a limit, in clause 23.</b> If having been notified, the Supplier fails to remedy the defect within the period specified in the PC, the Purchaser may proceed to take within a reasonable period such remedial action as may be necessary, at the Supplier's risk and expense for reasonable, direct and documented remedial costs, subject to the liability limitation in Clause 23 only; as Purchaser's sole and exclusive remedy for Supplier's failure to remedy defects. Supplier will not warrant remedial work not performed by itself.	The requirement is as provided clause 21.3 & 21.5 – Section VIII. Particular Conditions of Contract of the tender document.
Section VII. General Conditions of Contract – New Clause GC 21.7 – <b>Warranty</b>	<b>Tenderer warranty carve out inserted, for circumstances outside of its control.</b> Supplier's warranties and obligations hereunder shall terminate if (a) Purchaser fails to perform its obligations under this Contract or any other agreement between the Parties; (b) Purchaser fails to pay any charges otherwise due to Supplier; (c) non-conformances arise due to abnormal well conditions, or incorrect specifications provided by Purchaser; (d) the Goods, Services or equipment are handled, stored or used improperly, or for an improper purpose, or in a manner inconsistent with Supplier's recommendations; € the Goods, Services, or equipment are altered or repaired without the prior written consent of Supplier; or (f) the non-conformances arise while the Goods, Services or equipment are on Purchaser's site due to Purchaser's negligence, or vandalism or Force	The requirement is as provided clause 21.3 & 21.5 – Section VIII. Particular Conditions of Contract of the tender document.

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<p>Section VII. General Conditions of Contract - New Clause GC 21.8 - <b>Warranty</b></p>	<p>Majeure.</p> <p><b>Tenderer warranties are those expressly cited in this Contract, for legal certainty purposes.</b> Except as is otherwise expressly provided under the provisions of this Clause 21, Supplier makes no warranty or guarantee of any kind, whether oral, written, express, implied, or statutory, including (Without Limitation) any implied warranty of merchantability or fitness for a particular purpose, regarding any goods, services or equipment supplied by supplier hereunder, whether alone or in combination with other products or materials. Both parties hereby agree that supplier's warranty obligations and Purchaser's remedies thereunder are (except as to title) solely and exclusively as stated in this Clause 21.</p>	<p>The requirement is as provided clause 21.3 &amp; 21.5 – Section VIII. Particular Conditions of Contract of the tender document.</p>
<p>Section VII. General Conditions of Contract - Clause GC 22.1 - <b>Patent Indemnity</b></p>	<p><b>Tenderer will provide an indemnity, subject to further carve outs for circumstances outside of its control.</b> Such indemnity shall not cover: (i) any use of the Goods or any part thereof other than for the purpose indicated by or to be reasonably inferred from the Contract and in accordance with Supplier's published standards and specifications; (ii) any infringement resulting from the use of the Goods or any part thereof, or any products produced thereby in association or combination with any other materials, plant, or materials not supplied by the Supplier, pursuant to the Contract; (iii) where Supplier Goods or Services have been specially modified, designed and/or manufactured to meet Purchaser's specifications; or (iv) out of additions or modifications to Supplier Goods or Services by anyone other than Supplier.</p>	<p>The requirement remains as provided in clause 22 in Section VII. General Conditions of Contract of the tender document.</p>
<p>Section VII. General Conditions of Contract - Clause GC 23.1 - <b>Limitation of Liability</b></p>	<p><b>Tenderer would prefer a more comprehensive consequential loss definition and to have its remedial liability limited to the value of the Contract Price.</b> (a) the Supplier shall not be liable to the Purchaser, whether in contract, tort, or otherwise, for any indirect, incidental, special, punitive, exemplary or consequential loss or damage (whether foreseeable or not at the date of this contract), economic loss of use of software, lost revenue, lost product, loss of use, loss of production, lost business, business interruptions, or loss of profits or interest costs, arising out of, or related to, the performance of or subject matter of this Contract, regardless of the cause, provided that this exclusion shall not apply to any obligation of the Supplier to pay liquidated</p>	<p>The requirement remains as provided in clause 23.1 in Section VII. General Conditions of Contract of the tender document.</p>

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	damages to the Purchaser; and (b) the aggregate liability of the Supplier to the Purchaser, whether under the Contract, in tort, or otherwise, shall not exceed the Contract Price, provided that this limitation shall not apply to any obligation of the Supplier to indemnify the Purchaser with respect to patent infringement.	
Section VII. General Conditions of Contract - Clause GC 26.1 <b>Change Orders and Contract Amendments</b>	<b>Tenderer will attend to changes that are within its reasonable capacity and not unsafe to implement.</b> The Purchaser may at any time order the Supplier through notice in accordance GC Clause 5, to make changes within the general scope of the Contract, that are within the reasonable capacity of Supplier (i.e., Supplier can meet the requirement from its existing resources without detriment to its pre-existing obligations to its other clients), and which Supplier acting reasonably, deems unsafe to implement, and notifies Purchaser accordingly; in any one or more of the following:	The requirement remains as provided in clause 26 in Section VII. General Conditions of Contract of the tender document.
Section VII. General Conditions of Contract - Clause GC 28.1 (ii) <b>Termination</b>	<b>Termination will be afforded but for a material breach by Tenderer only.</b> (ii) if the Supplier fails to perform any other material obligation under the Contract; or	The requirement remains as provided in clause 28 in Section VII. General Conditions of Contract of the tender document.
Section VIII. Particular Conditions - GC 1.4.1 - <b>Law and Language</b>	<b>Neutral governing law preferred, instead of Kenyan Law</b> The governing law is that of: England and Wales	The governing law is as specified in clause GC 1.4.1 in Section VIII. Particular Conditions of Contract
Section VIII. Particular Conditions - GC 6.2 - <b>Settlement of Disputes</b>	<b>Tenderer would prefer a neutral arbitration process, outside of Kenya - being the rules of the London Court of International Arbitration and the venue of arbitration to be in London, England.</b> The rules of procedure for arbitration shall be as follows: If any dispute or difference of any kind arises between the Parties in connection with this Agreement or the breach, termination or validity hereof (a "Dispute") it shall be referred to arbitration under the rules of the London Court of International Arbitration and it is hereby agreed that; (a) The seat of the arbitration shall be London, England; (b) There shall be a panel of three (3) arbitrators. Each Party shall appoint one arbitrator and the third who shall be the chairman who shall be appointed in accordance with the afore-said rules. Provided that any person who has existing or	Requirement is as stated in clause GC 6.2 in Section VIII. Particular Conditions of Contract.

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	prior relationship with either Party shall not be eligible for appointment as an arbitrator except with the consent of both Parties;	
Section VIII. Particular Conditions - GC 10.1 - <b>Contract Price</b>	<b>Tenderer can keep prices fixed for a period of 2 years</b> Price adjustments <b>shall not</b> apply for the first two years of the Contract term. With effect from the second anniversary of the effective date (and any extension periods) the Parties shall re-negotiate all rates and prices herein in good faith, and if they fail to agree on the same, either Party shall be entitled to terminate this Contract on notice to the other Party.	Requirement is as stated in clause GC 10.1 in Section VIII. Particular Conditions of Contract.
Section VIII. Particular Conditions - GC 11.1 - <b>Terms of Payment</b>	<b>Tenderer standard payment terms are 30 days for all clients.</b> 70 seventy percent (70%) of the total contract amount within thirty (30) days after receipt of invoice and submission of Clean on board Bill of Lading carrier and certificate of conformity. Ten percent (10%) of the total contract amount within thirty (30) days receipt of invoice confirming delivery of the material at site.	Requirement is as stated in clause GC 11.1 in Section VIII. Particular Conditions of Contract.
Section VIII. Particular Conditions - GC 11.5 - <b>Terms of Payment</b>	<b>Confirmation of interest rate period, for calculation purposes.</b> The Payment-Delay Period after which the Purchaser shall pay interest to the Supplier is discount rate of the issuing institute of the Suppliers' country of origin increased by 1% per month.	Requirement is as stated in clause GC 11.5 in Section VIII. Particular Conditions of Contract.
Section VIII. Particular Conditions - GC 20.1 - <b>Liquidated Damages</b>	<b>Tenderer will accept LD's, subject to a grace period and maximum liability cap of 3%.</b> The Liquidated Damages shall be: 0.5% per each full Week, after an initial 2 week grace period. The Maximum Percentage of Liquidated Damages shall be: 3%	Requirement is as stated in clause GC 20.1 in Section VIII. Particular Conditions of Contract.
Section VIII. Particular Conditions - GC 21.3 - <b>Warranty</b>	<b>Tenderer Warranty period is 3 months from delivery or 4 months from installation.</b> The Period of Validity of the Warranty shall be: <b><u>three (3) months from the delivery date of the Goods or four (4) months from installation of the Goods, whichever is the earlier period.</u></b> (...)	Requirement is as stated in clause GC 21.3 in Section VIII. Particular Conditions of Contract.
Section VIII. Particular Conditions GC 1.2.3 (b) - <b>Incoterms</b>	<b>The Buyer has requested for INCOTERMS 2010 – CIP Menengai, Nakuru County</b> Under definition if CIP Incoterms, the seller's responsibility ends at the Port of Import and therefore the pricing would be CIP JKIA or CIP Mombasa. Kindly confirm if GDC would like the seller to deliver the goods at Menengai, Nakuru County.	The Incoterm is CIP – Menengai, Nakuru County as stated in ITB 14.5 & 14.6.

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Award Criteria	Would this be I (one) lot with 1-7 schedules and could we submit a tender for one schedule only	The award criteria is – Lowest evaluated per fully complete schedule. Bidders are allowed to quote for any or all the schedules. Each schedule shall be evaluated and awarded separately.
Tender Security	Confirm the format of a bid bond	The format is as provided in Section IV. Bidding Forms of the tender document– Form of bid security (bank guarantee)
Section VII Technical Specifications, Schedule D for Drilling Tools Page 3-83.	We request if you can advise on the LOAD CAPACITY for items; 14) 8" Drill Collar Elevator, 15) 6 1/2" Drill Collar Elevator and 16) 5" Drill Pipe Elevator	The load capacity for the collars is as below;  14. 8" drill collar elevator capacity is 350 tons  15. 6 1/2" drill collar elevator capacity is 350 tons  16. 5" drill pipes elevator capacity is 350 tons
SCHEDULE D-ITEM 16 Cross over sub - 5" drill pipe elevator	Please confirm elevator or cross over sub which is needed?	Its elevator not crossover sub. Elevator for 5" drill pipes with capacity of 350 tons
SCHEDULE D-ITEM 23 Swivel crossover - 7-5/8 REG BOX-6 -5/8 REG PIN(LH) Thread connection, Outside diameter-8.0" Average length-11"	The thread form for 7-5/8 REG Box should be LH, please confirm LH for 7-5/8 REG Box.	7-5/8 REG BOX (LH) - 6-5/8 REG PIN(LH) Thread connection, Outside diameter-8.0" Average length-11"
SCHEDULE D-ITEM 24 Upper Kelly Cock - 6 -5/8 REG Box-6 -5/8 REG PIN(LH) Thread Connection, Outside diameter 6-1/8", Inside diameter 3 1/4"	The normal outside diameter is 7-3/4".inside diameter is 3",and the thread form for 6-5/8 REG Box should be LH, Please confirm which one is correct.	6 -5/8 REG Box up (LH) - 6 -5/8 REG PIN(LH) Thread Connection, Outside diameter 7-3/4", Inside diameter 3".

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SCHEDULE D-ITEM 25 Lower Kelly Cock - 6 5/8 REG Box-NC50 PIN(RH) Connection, Outside Diameter-6- 1/8", Inside Diameter-3- 1/8"	The normal outside diameter is 7-3/4".inside diameter is 3",Please confirm which one is correct.	6 -5/8 REG Box up (RH) - NC50(RH) Thread Connection, Outside diameter 7-3/4", Inside diameter 3".
SCHEDULE D-ITEM 26 Kelly Saver Sub - NC50 Box-NC50 Pin Thread connections, Outside diameter- 6- 1/8", Inside Diameter-3- 1/4"	The normal outside diameter is 6-1/2".inside diameter is 2-13/16",Please confirm which one is correct.	NC50 Box-NC50 Pin Thread connections, Outside diameter- 6 1/2" with middle 5" recess with a 7" rubber protector installed, Inside Diameter-2-13/16", overall length 36"
SCHEDULE D-ITEM 28 17 1/2 Integral String Stabilizer - 6 -5/8 REG Box-6 -5/8 REG PIN(LH) Thread Connection, Outside diameter 6-1/8", Inside diameter 3 1/4"	The normal outside diameter is 8".inside diameter is 2-13/16",and the thread form for 6-5/8 REG PIN should be RH,Please confirm which one is correct.	17 1/2" replaceable sleeve stabilizer, 8" fishing neck diameter, 6 5/8" Reg. Box up x 6 5/8" Reg. Pin down, 2 13/16" diameter inside diameter
SCHEDULE D-ITEM 30 12 1/4" Integral String Stabilizer - NC50 (IF) Box-NC50 (IF) Pin, fish neck diameter 6 1/2", Internal diameter 2-13/16"	The normal connection is 6-5/8 REG Box- 6-5/8 REG Pin,and the fish neck diameter is 8",Please confirm which one is correct.	12 1/4" replaceable sleeve stabilize, 8" fishing neck diameter, 6 5/8" Reg. Box up x 6 5/8" Reg. Pin down, 2 13/16" diameter inside diameter
SCHEDULE D-ITEM 33 Bowen Bumper Sub- NC50 (4 1/2 IF) Box-NC50 (4 1/2 IF Pin), Outside diameter 6 1/2", inside diameter 2 3/4", Stroke 20"	The normal inside diameter is 2",Please confirm which one is correct. and we suppose Bowen type bumper sub.	NC50 (4 1/2 IF) Box-NC50 (4 1/2 IF Pin), Outside diameter 6 1/2", inside diameter 2", Stroke 20"
SCHEDULE D-ITEM 38 Water mellon mill - 6-5/8 REG Pin Thread connection, Outside Diameter-12-3/4". Fish Neck Diameter-9 1/2"	The normal thread connection is 7-5/8 REG Pin Please confirm which one is correct.	6-5/8 REG Pin Thread connection, Outside Diameter-12 3/4". Fish Neck Diameter-8"
SCHEDULE D-ITEM 43 Reverse Circulating Basket - Reverse Circulation junk basket, size 7-1/2" to 8- 1/4" OD with 4- 1/2"IF Reg Pin Connection	IF Reg Pin Connection, IF and Reg is conflicted, we suppose delete Reg.	Reverse Circulation junk basket, size 7 1/2" to 8 1/4" OD with 4 1/2"IF Pin Connection



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SCHEDULE E-ITEM 6 Hi temperature electronic survey kit - Ø 45mm High-Temperature Fixed-Point Electronic Inclinometer (120MPa) Should include heat sheath Software and manual should be in English	please indicate the working temperature.	Withstand temperatures up to 350° C
SCHEDULE E-ITEM 9 Bit sub- 8 5/8 pin X 7 5/8 box Bit sub	8 5/8 pin X 7 5/8 box Bit sub	7 5/8 pin X 7 5/8 box Bit sub
SCHEDULE E-ITEM 11 stabilizer sleeves - 17 1/2'' stabilizer sleeves	Where are they used for? Are they used for mud motor or orient sub?	Replaceable wear part sleeves for stabilizers with granular tungsten
SCHEDULE E-ITEM 13 stabilizer sleeves - 12 1/4'' stabilizer sleeves		
SCHEDULE E-ITEM 14 stabilizer sleeves - 8 1/2'' stabilizer sleeves		
Under schedule C - "Ultra Sonic Cement Analyzer"	Please confirm whether the product purchased are replacement of original (existed) models or new ones?	New ones
Schedules	Can we quote for one schedule?	Tenderers can quote for any of the schedules. Award shall be based on the lowest evaluated Price per fully completed Schedule
Bid security	The Bid Bond amount is not clear in terms of figures.	Requirement is as stated in ITB 19.1 in Section II. Bid Data Sheet.

NB/ All other requirements/instructions including the closing date remain unchanged.

Yours Faithfully



**DORIS KYAKA**  
**MANAGER, SUPPLY CHAIN**  
**FOR: GEOTHEMAL DEVELOPMENT COMPANY**

