



**Kenya Airports Authority**

**KAA/OT/MBD/0113/2021-2022**

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**17<sup>th</sup> January 2022**

**To: All Tenderers**

Dear Sir/Madam,

**RE: THE DEVELOPMENT AND MANAGEMENT OF ADVERTISING MEDIA**

**TENDER NO: KAA/OT/ MBD/0113/2021-2022**

**ADDENDUM NO. 2.**

The following are tender clarifications/addendum issued regarding the above tender in accordance to instructions to tenderers **clause 7.1** of the bidding document for the referenced tender.

| No. | Inquiry   | Response   |
|-----|---|--|
| 1.  | <p><b>1. Part I: Preliminary Evaluation Criteria, Mandatory requirements on page 21 requires the tenders to;</b></p> <p>o Ability to access funds necessary for the investment in the Development and Management of the Advertising Media of not less than Kshs.50,000,000.00 or capacity to have a minimum cash flow of Kshs.50,000,000.00. This shall be evidenced by any or a combination of the following:</p> <p>1. Letter of line of credit from approved financial institution specific to this tender and indicating the amount available.</p> <p>2. Overdraft facility from a commercial bank specifically for this project and indicating the amount to be availed.</p> <p>3. Transactions as demonstrated by bank statements for the last three months (September, October and November 2021).</p> <p>A. Our view is that this should not be a blanket, holistic requirement but should be segmented in line lots for the different airports listed in the tender.</p> | <p>Item no. 11 on page 21 under preliminary evaluation criteria is amended as follows</p> <ol style="list-style-type: none"> <li>1. Lot 1 &amp; Lot 2....Kshs.50 million</li> <li>2. Lot 3....Kshs.25 million</li> <li>3. Lot No. 4....Kshs.12.5 million</li> <li>4. Lot No. 5....Kshs.6.5 million</li> </ol> <p><b>All the other details remain the same as per the tender.</b></p> |

|           |   |   |
|-----------|---|---|
|           | <p>B. We are also of the view that the item 3 above should be consistent with the following section 12 which refers to the "Bidders shall submit certified copies of its audited financial accounts for the past three years; 2016, 2017 and 2018 or 2017, 2018 and 2019 to demonstrate this annual turnover from advertising income."</p>  |   |
| <p>2.</p> | <p>That the tender requires the interested parties to present a copy of film/ video regulatory license for digital advertising.</p> <p>I. Section 15 on page 22...."Copy of film / video regulatory license for digital advertising"</p> <p>A. We believe this should not be a core mandatory requirement as it discriminates in a business where the advertising materials production can actually be outsourced by the contracted entity.</p> <p>B. We manage over 600 billboard sites countrywide that are licensed to advertise content but do not require a license for digital film / video regulatory license. This appears to be a very unique and unusual requirement, as installing a digital billboard does not require this. Therefore, is this still necessary as to our knowledge it is not an industry requirement. Kindly assist us in clarifying this.</p> | <p>Item no. 15 on page 22 under preliminary evaluation criteria is amended as follows:</p> <p>Provide copy of film/ video regulatory license for digital advertising.</p> <p>However, this will not be used as evaluation criteria but shall be a condition precedent to the signing of the contract.</p> |
| <p>3.</p> | <p><b>3. Part II: Pre Evaluation of Tenderer's Technical requirement: Item I section 2.</b></p> <p>We are of the view that the requirement for Tenderers to list presently managed digital sites is misplaced and punitive because the form of advertising at the</p>   | <p>Item no. 1 on page 22 under Technical Requirements criteria is amended as follows:</p> <p>I. Provide listing of sites where they have installed and are managing advertising media as follows;</p>   |



airports is not necessarily confined to digital sites but may take the form and type as may be dictated by relevant technology in place at the time of agreement and advertisement of ads.

We find this to be quite subjective and specific as it is very difficult to find a local Kenyan company that has these number of digital screens as digital advertising is yet to become a popular means of advertising. As a result, this would also disqualify over 90% if not more of the local companies in tendering for this which is quite unfortunate and unfair. Does that mean we would be disqualified from tendering despite meeting the minimum 100 billboard requirement should we choose to tender for Lot 1 and 2?

|                              | Minimum number of listed sites | State in a table form the location and type of advertising e.g<br><br>Static, Mobile, Digital, Interactive etc. |
|------------------------------|--------------------------------|---|
| LOT 1 – Outdoor JKIA         | 100                            |   |
| LOT 2 – Indoor JKIA          |                                |   |
| LOT 3 – Indoor & Outdoor MIA | 50                             |   |
| LOT 4 – Indoor & Outdoor WAP | 25                             |   |
| LOT 5 – Indoor & Outdoor KIA | 25                             |   |

Bidders should note that during contract implementation, they shall be required to install at a minimum 30% in digital form.

**All the other details remain the same as per the tender.**

4. Request for clarification: Since 70% of the revenue will be channelled to KAA, does this mean the licensee will be required to pay operational costs such as electricity bills from their 30% revenue?

Item no. 1 on page 25 under Financial Requirements – Statement of Financial Compliance criteria is amended as follows:

**Existing Static Installations:**

| LOT/YEAR                     | Applicable rate as a % of Gross Annual receipts /sales for existing static sites |
|------------------------------|--|
|                              | Year 1-10  |
| LOT 1 – Outdoor JKIA         | 70   |
| LOT 2 – Indoor JKIA          | 70   |
| LOT 3 – Indoor & Outdoor MIA | 70   |
| LOT 4 – Indoor & Outdoor WAP | 70   |
| LOT 5 – Indoor & Outdoor KIA | 70   |

**New Static Installations:**

| LOT/YEAR                     | Applicable rate as a % of Gross Annual receipts /sales for new static sites |                  |
|------------------------------|---|------------------|
|                              | First 2 years   | Remainder period |
| LOT 1 – Outdoor JKIA         | 50  | 70               |
| LOT 2 – Indoor JKIA          | 50  | 70               |
| LOT 3 – Indoor & Outdoor MIA | 50  | 70               |
| LOT 4 – Indoor & Outdoor WAP | 50  | 70               |
| LOT 5 – Indoor & Outdoor KIA | 50  | 70               |

|                              |  | <p><b>New Digital:</b></p> <table border="1"> <thead> <tr> <th rowspan="2">LOT/YEAR</th> <th colspan="2">Applicable rate as a % of Gross Annual receipts /sales for new digital</th> </tr> <tr> <th>First 3 years</th> <th>Remainder period</th> </tr> </thead> <tbody> <tr> <td>LOT 1 – Outdoor JKIA</td> <td>30</td> <td>60</td> </tr> <tr> <td>LOT 2 – Indoor JKIA</td> <td>30</td> <td>60</td> </tr> <tr> <td>LOT 3 – Indoor &amp; Outdoor MIA</td> <td>30</td> <td>60</td> </tr> <tr> <td>LOT 4 – Indoor &amp; Outdoor WAP</td> <td>30</td> <td>60</td> </tr> <tr> <td>LOT 5 – Indoor &amp; Outdoor KIA</td> <td>30</td> <td>60</td> </tr> </tbody> </table> <p><b>Bidders should note that :</b></p> <p>(1) All site installations shall remain property of Kenya Airports Authority at the end of the contract period irrespective of when it was installed.</p> <p>(2) Kenya Airports Authority shall be party to all contracts executed with the advertisers for each site.</p> <p><b>All the other details remain the same as per the tender.</b></p> | LOT/YEAR | Applicable rate as a % of Gross Annual receipts /sales for new digital |  | First 3 years | Remainder period | LOT 1 – Outdoor JKIA | 30 | 60 | LOT 2 – Indoor JKIA | 30 | 60 | LOT 3 – Indoor & Outdoor MIA | 30 | 60 | LOT 4 – Indoor & Outdoor WAP | 30 | 60 | LOT 5 – Indoor & Outdoor KIA | 30 | 60 |
|------------------------------|--|---|----------|--|--|---------------|------------------|----------------------|----|----|---------------------|----|----|------------------------------|----|----|------------------------------|----|----|------------------------------|----|----|
| LOT/YEAR                     | Applicable rate as a % of Gross Annual receipts /sales for new digital |   |          |  |  |               |                  |                      |    |    |                     |    |    |                              |    |    |                              |    |    |                              |    |    |
|                              | First 3 years  | Remainder period  |          |  |  |               |                  |                      |    |    |                     |    |    |                              |    |    |                              |    |    |                              |    |    |
| LOT 1 – Outdoor JKIA         | 30   | 60  |          |  |  |               |                  |                      |    |    |                     |    |    |                              |    |    |                              |    |    |                              |    |    |
| LOT 2 – Indoor JKIA          | 30   | 60  |          |  |  |               |                  |                      |    |    |                     |    |    |                              |    |    |                              |    |    |                              |    |    |
| LOT 3 – Indoor & Outdoor MIA | 30   | 60  |          |  |  |               |                  |                      |    |    |                     |    |    |                              |    |    |                              |    |    |                              |    |    |
| LOT 4 – Indoor & Outdoor WAP | 30   | 60  |          |  |  |               |                  |                      |    |    |                     |    |    |                              |    |    |                              |    |    |                              |    |    |
| LOT 5 – Indoor & Outdoor KIA | 30   | 60  |          |  |  |               |                  |                      |    |    |                     |    |    |                              |    |    |                              |    |    |                              |    |    |

The closing/opening date remains on **20<sup>th</sup> January 2022 at 11.00** as per our addendum No. 1.

This addendum forms part of the bidding document and it is binding on all the bidders. All the other conditions remain the same.

Yours faithfully,

**Patrick K. Wanjuki**  
**GM (PROCUREMENT & LOGISTICS)**  
**FOR: MANAGING DIRECTOR/CEO**