

INSTRUCTIONS TO CALL FOR APPLICATIONS FOR STRATEGIC PARTNERS

TABLE OF CONTENTS

A. PRELIMINARY INFORMATION.....	3
B. INFORMATION TO STRATEGIC PARTNERS.....	4
C. APPENDICES	12
APPENDIX A: SPECIALLY PERMITTED PROCUREMENT METHOD	13
APPENDIX B: CONTACT INFORMATION	14

A. PRELIMINARY INFORMATION

The Government of Kenya (GoK) has committed to deliver a series of ambitious social programs to promote long-term economic development for Kenyan citizens through its Big Four agenda: (1) affordable housing; (2) universal health coverage; (3) enhancing manufacturing; and (4) food security and nutrition.

The housing pillar in the Big Four agenda will facilitate the development of 500,000 low cost homes, together with the supporting infrastructure, using innovative funding mechanisms and technologies by 2022 ("Affordable Housing Programme" or "AHP"). The State Department of Housing and Urban Development ("SDHUD") is championing the realization of the AHP through establishment of a robust project delivery and financing framework that will leverage on private sector funding.

SDHUD now invites applications from interested and eligible Strategic Partners, including developers, investors, financiers, and/or consortiums, both local and international, with expertise in development of affordable mass housing to undertake projects under the AHP within the cycle period 2018 – 2022 through a Specially Permitted Procurement Method as provided under Section 57 of the Finance Act 2017 and Section 114(A) of the Public Procurement and Asset Disposal Act ("PPADA"). Interested parties should be well versed with the AHP Development Framework Guidelines (DFGs), the list of projects in the AHP Project Pipeline, as well as the guidelines and requirements set forth in the Instructions to AHP Call for Applications for Strategic Partners, available on the SDHUD website at www.housingandurban.go.ke/affordable-housing, the National Housing Corporation website at www.nhckkenya.co.ke, as well as the Affordable Housing Portal at www.bomayangu.go.ke/ahp. Interested parties are advised to familiarize themselves with these documents as they form part of the requirements for submission and evaluation.

This Call for Applications for Strategic Partners applies to the AHP Project Pipeline as well as other affordable housing projects which meet the criteria set forth in the DFGs whether on private or public land. Private land owners willing to strategically partner for affordable housing projects in line with the DFGs are also invited to apply.

The AHP Application Form for Strategic Partners is now available online at the Affordable Housing Portal at www.bomayangu.go.ke/strategic_partners. Applications are to be submitted via this web form only.

Interested parties are advised to consult the SDHUD for any clarifications, inquiries and questions in writing via email to enquiries@bomayangu.go.ke.

PS Charles Hinga Mwaura
Principal Secretary, State Department of Housing and Urban Development

B. INFORMATION TO STRATEGIC PARTNERS

1.1. Introduction

- 1.1.1. The State Department of Housing and Urban Development (“SDHUD” or the “Client” or the “Procuring Entity”) will select Strategic Partner(s), including developers and/or consortiums, both national and international, with expertise in development of affordable mass housing projects, in accordance with the Specially Permitted Procurement Method (“SPPM”) detailed in Appendix A: Specially Permitted Procurement Method.
- 1.1.2. Strategic Partners are invited to submit the Affordable Housing Program (AHP) Application Form, as specified on the web forms and available online at www.bomayangu.go.ke/strategic_partners, which provides information on the Strategic Partner’s technical and financial capacity to undertake projects in the AHP in line with the AHP Development Framework Guidelines (DFGs).
- 1.1.3. For the purposes of this Call for Application process, the following definitions of Strategic Partners apply:
 - A. Developer
This refers to turnkey investors who have financing, technical capability including contracting ability, to undertake affordable housing projects either on their own land or on land provided through the AHP pipeline.
 - B. Consortiums
This refers to associations by two or more parties with financial and technical capacity in developing housing projects who would like to enhance their capability and jointly undertake projects in the AHP
- 1.1.4. In this Call for Applications, SDHUD is registering Strategic Partners with ready projects, and/or separately, those with an interest in undertaking projects on public land in the Affordable Housing Program (AHP) Pipeline.
- 1.1.5. Strategic Partners are advised that they must submit their applications using the AHP Application Form that corresponds to the category of Strategic Partners that describes them most fully.
- 1.1.6. The AHP Application Form will be the basis for evaluating Strategic Partners for suitability to deliver on AHP projects while the DFGs, together with published draft agreements, will be basis for contract negotiations and ultimately for a signed Contract with selected Strategy Partner(s).
- 1.1.7. To qualify for contract awards, the Applicants 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.
- 1.1.8. Strategic Partners who are developers and/or consortiums with ready projects must submit the required project information using the provided webform. Ready projects submitted for review and inclusion into the AHP should meet the following qualifications:
- (a) Be ready for commissioning in line with Development Framework Guidelines' within 90 days of registration;
 - (b) Be on titled land without encumbrances;
 - (c) Have designs in line with the Development Framework Guidelines (DFGs);
 - (d) Have visual renders, master scheme designs, and masterplans of the project area;
 - (e) Have a complement of appointed professional teams to implement the project;
 - (f) Have an appointed construction team and/or contractor; and
 - (g) Secured financing to begin development within 90 days of registration.
- 1.1.9. Strategic Partners who are developers and/or consortiums interested in developing projects on public land must submit the required information using the webform provided.
- 1.1.10. Submitted applications will be reviewed and evaluated for approval. Once approved, Strategic Partners will have the following benefits:
- (a) Fast tracking of statutory approvals for AHP projects;
 - (b) Access to the tax incentives for developers under AHP;
 - (c) Access to the Boma Yangu, the housing portal with registered potential buyers;
 - (d) Access to government backed end user financing for registered home buyers;
 - (e) Provision of bulk (horizontal) infrastructure to site;
- 1.1.11. Strategic Partners must familiarize themselves with the Development Framework Guidelines as published on the SDHUD website at www.housingandurban.go.ke/affordable-housing, the National Housing Corporation website at www.nhckenyaco.ke, as well as the Affordable Housing Portal at www.bomayangu.go.ke/ahp, as well as local conditions and take them into account in preparing their Application Forms.
- 1.1.12. The Client has published on its website at www.housingandurban.go.ke/affordable-housing, the National Housing Corporation website at www.nhckenyaco.ke, as well as the Affordable Housing Portal at www.bomayangu.go.ke/ahp, the Affordable Housing Program Pipeline ("AHP Pipeline") which lists the current projects to be

undertaken within the including the Flagship Projects on national government land, Flagship Social Housing Projects, among others. Strategic Partners are invited to familiarize themselves with the AHP Pipeline which will be updated from time to time.

- 1.1.13. To obtain first-hand information on the AHP projects and on the local conditions, Strategic Partners are encouraged to liaise with the Client regarding any information that they may require before submitting an application and to attend an informational conference, where applicable. Strategic Partners should contact the offices of the Client as provided in Appendix B: Contact Information to arrange for any visit or to obtain additional information on the informational conference. Strategic Partners should ensure that these offices are advised of any visits in adequate time to allow them to make appropriate arrangements.
- 1.1.14. Please note that (i) the costs of preparing the Application Form and of negotiating the Contract, including any visit to the Client are not reimbursable as a direct cost of the assignment; and (ii) the Client is not bound to accept any of the Application Forms submitted.
- 1.1.15. The Procurement Entity's employees, committee members, board members and their relatives (spouse and children) are not eligible to participate.
- 1.1.16. The Procuring Entity shall make available the **Instructions to Call for Applications for Strategic Partners, Development Framework Guidelines, AHP Pipeline, AHP Application Form**, and other related AHP project documents, free of charge through its website www.housingandurban.go.ke/affordable-housing, the National Housing Corporation website at www.nhckenya.co.ke, as well as the Affordable Housing Portal at www.bomayangu.go.ke/ahp.

1.2. Clarification and Amendment of AHP Application Form and Related Documents

- 1.2.1. Strategic Partners may request a clarification of any of the AHP Application Form and related documents in writing by paper mail, cable, telex, facsimile or electronic mail to the Client's address indicated in the Appendix B: Contact Information. The Client will respond by cable, telex, facsimile or electronic mail to such requests and will send written copies of the response (including an explanation of the query but without identifying the source of inquiry) to the querying party. Where applicable, the Client will include such queries in Frequently Asked Questions (FAQs) which will be posted on the Client's website www.housingandurban.go.ke/affordable-housing, the National Housing Corporation website at www.nhckenyaco.ke, as well as the Affordable Housing Portal at www.bomayangu.go.ke/ahp for the benefit of others intending to submit AHP Application Forms.
- 1.2.2. At any time, the Client may for any reason, whether at his own initiative or in response to a clarification requested by potential Strategic Partners, amend the AHP Application Forms. Any amendments shall be issued in writing and posted on the www.housingandurban.go.ke/affordable-housing, the National Housing Corporation website at www.nhckenyaco.ke, as well as the Affordable Housing Portal at www.bomayangu.go.ke/ahp.
- 1.2.3. Interested parties may register on the Client's website to receive information and updates on the Client's website at www.housingandurban.go.ke/affordable-housing, the National Housing Corporation website at www.nhckenyaco.ke, as well as the Affordable Housing Portal at www.bomayangu.go.ke/ahp.

1.3. Preparation of the AHP Application Forms

- 1.3.1. The AHP Application Form shall be written and submitted in the English language. Any requested and/or other supporting documentation provided in any other language must be accompanied by certified translations.
- 1.3.2. In preparing the AHP Application Form, Strategic Partners are expected to examine the documents related to the AHP including DFGs, AHP Pipeline, and other documents provided. Material deficiencies in providing the information requested may result in rejection of an application.
- 1.3.3. While preparing the AHP Application Form, if a Strategic Partner considers that it does not have all the expertise for the assignment, it may obtain a full range of expertise by associating with individual consultant(s) and/or other firms or entities in a consortium or sub-consultancy as appropriate.

- 1.3.3.1. For the purposes of this Call for Applications for Strategic Partners, the term “Consortium” means an association with or without a legal personality distinct from that of its members, of more than one firm where one member has the authority to conduct all business for and on behalf of any and all the members of the consortium, and where the members of the consortium are jointly and severally liable to the Client for the performance of the Contract.
- 1.3.3.2. Strategic Partners applying as a consortium and/or associating with individual consultants and/or other firms must provide a letter of intent or a copy of an existing Consortium Agreement (in the case of a Consortium) or Teaming Agreement (in the case of a Sub-consultancy).
- 1.3.3.3. In the case of a Consortium, a registered power of attorney for the authorized representative of each consortium member, and a registered power of attorney for the representative of the lead member to represent all consortium members.
- 1.3.4. In preparing the AHP Application Form, Applicants are advised of requirement to include at least 40% local content for provision of goods, services, and labor, in their project plans and provide evidence of the same in the AHP Application Form.
- 1.3.5. The Strategic Partners shall provide the information requested in the AHP Application Form provided as a webform online at the Affordable Housing Portal at www.bomayangu.go.ke/strategic_partners. The Client will only accept applications as per Section 1.4 below.
- 1.3.6. The Application Form must be signed by the authorized signatory on the provided area. For all applicants, there must be an accompanying power of attorney allowing the signatory to sign on behalf of the applicant. In the case of a Consortium, a registered power of attorney for the authorized representative of each consortium member, and a registered power of attorney for the representative of the lead member to represent all consortium members.
- 1.3.7. The Application must remain valid for 90 days after the submission date. Where applicable, during this period, the Strategic Partner is expected to keep available, at his own cost, the key personnel staff proposed for the assignment. The Client will make his best effort to complete the process within this period. If the Client wishes to extend the validity period of the Applications, the Strategic Partners shall agree to the extension.

1.4. Submission and Receipt of AHP Application Forms

- 1.4.1. Applicants shall access AHP Application Form online at the Affordable Housing Portal at www.bomayangu.go.ke/strategic_partners.
- 1.4.2. In order to fill in the AHP Application Form, applicants will be required to create an online account.
- 1.4.3. For each AHP Application Form, the Applicant shall upload supporting documents as required within the Application Form.
- 1.4.4. AHP Application Forms, along with supporting documents, shall be submitted online via the webform provided at www.bomayangu.go.ke/strategic_partners.
- 1.4.5. A completed AHP Application Form will be submitted when the Applicant has digitally signed the AHP Application Form and accepted the terms and conditions as published within the application portal.
- 1.4.6. Once an Application Form is successfully submitted as per Section 0 above, on or before the Submission Deadline, SDHUD shall register the following information in relation to the AHP Application Form and the Application on the AHP SPPM Ledger:
 - a. The Application name, address and the contact information for the representative responsible for filing the AHP Application Form;
 - b. The date and time of receipt of the AHP Application Form as per the digital time stamp;
 - c. The Project in respect of which the Applicant has submitted an AHP Application Form including the Round Number, the Lot Number, and Project Name; and
 - d. The Applicant's Identification Number.
- 1.4.7. After the deadline for submission of AHP Application Forms, all submissions shall remain with the Procurement Unit of the Client up to the time for evaluation of the AHP Application Forms.

1.5. Evaluation of AHP Application Forms

- 1.5.1. From the time the AHP Application Forms are opened to the time contracts are awarded, if any Applicant wishes to contact the Client on any matter related to his AHP Application Form, he should do so in writing at the address indicated in the Appendix B: Contact Information. Any effort by the firm to influence the Client in the Application Form evaluation, Application Form comparison or Contract award decisions may result in the rejection of the Applicant's submission.

- 1.5.2. The evaluation committee appointed by the Client shall evaluate the applications on the basis of completeness of information provided by the Applicant as well as responsiveness to the criteria set out in the Development Framework Guidelines, and other relevant project information provided to applicants.
- 1.5.3. Where multiple applications have been received for a particular project listed in the AHP Pipeline, the Client shall institute a competitive process and invite interested Strategic Partners to bid for the project. The bidders will be evaluated according to the criteria set out in the competitive process and the most responsive bidder, who meets the requirements set out in the competitive process, will then be invited for negotiations.
- 1.5.4. The Client shall notify Applicants, both successful and non-successful of the evaluation outcome.
- 1.5.5. The Client shall notify successful Applicants through a Letter of Invitation of the intent to proceed to negotiations. The negotiations start date shall not be sooner than seven (7) days after the notification date. The letter of invitation may be sent by registered letter, cable, telex, facsimile or electronic mail.

1.6. Negotiations

- 1.6.1. The Procuring Entity shall appoint a team for the purpose of the negotiations.
- 1.6.2. Negotiations will be held at the same address as "address to send information to the Client" indicated in the Appendix B: Contact Information. The aim of which will be to review and negotiate project plans and agreements and sign a contract.
- 1.6.3. To complete negotiations the Client and the selected Applicant will sign and initial the agreed legal agreements which form the Contract between the parties.
- 1.6.4. Where multiple applications were received with respect to a particular Project, the Client will negotiate with the successful bidder following the conclusion of the competitive process as provided in Section 1.5.3. Should negotiations fail with the first successful bidder, the bidder with the second highest score will be invited to negotiate a contract.

1.7. Award of Contract

- 1.7.1. The Contract will be awarded following negotiations. After negotiations are completed, the Client will promptly post on its website and the Affordable Housing Portal of the award of contract.

- 1.7.2. The successful Applicant is expected to commence the assignment within 30 days of finalizing and signing of the Contract with the Client.
- 1.7.3. The Procuring Entity may at any time terminate procurement proceedings before contract award and shall not be liable to any person for the termination.
- 1.7.4. The Procuring Entity shall give prompt notice of the termination to the Applicant(s) and on request give its reasons for termination within 14 days of receiving the request from any Applicant.

1.8. Confidentiality

- 1.8.1. Information relating to evaluation of AHP Application Forms and recommendations concerning awards shall not be disclosed to the Applicants who submitted the AHP Application Forms or to other persons not officially concerned with the process, until the process is completed up to Contract Award.

1.9. Corrupt or fraudulent practices

- 1.9.1. The Procuring Entity requires that the Applicants observe the highest standards of ethics during the selection and award of the AHP Contract and also during the performance of the assignment. The Applicants shall sign a declaration that he has not and will not be involved in corrupt or fraudulent practices.
- 1.9.2. The Procuring Entity will reject a contract award if it determines that the Applicant recommended for award has engaged in corrupt or fraudulent practices during the process of application.
- 1.9.3. Further, an Applicant who is found to have indulged in corrupt or fraudulent practices risks being debarred from participating in public procurement in Kenya.

C. APPENDICES

Appendix A: Specially Permitted Procurement Method

Appendix B: Contact Information

APPENDIX A: SPECIALLY PERMITTED PROCUREMENT METHOD

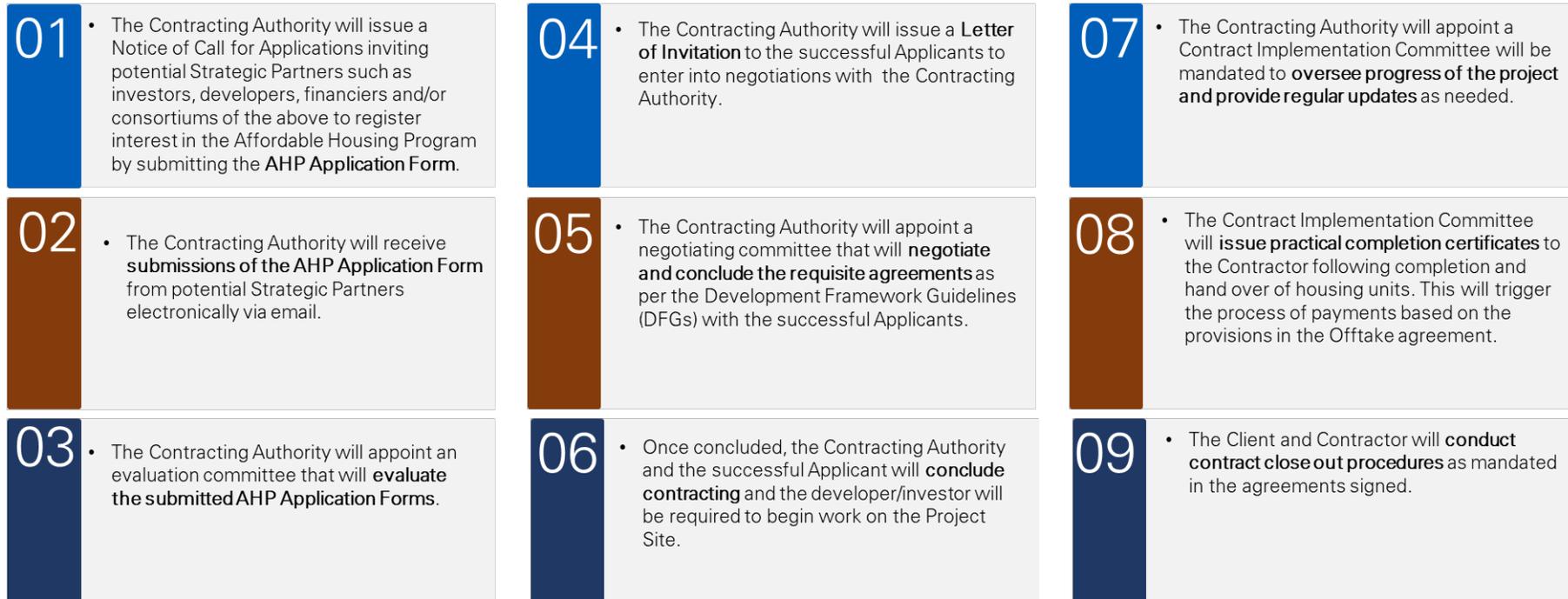


Figure 1: AHP Specially Permitted Procurement Method

APPENDIX B: CONTACT INFORMATION

A. General Information

The Principal Secretary
State Department for Housing and Urban Development
P.O Box 30119-00100
NAIROBI, KENYA
Tel: +254-20-2713833
Email: info@housingandurban.go.ke
Web: www.housingandurban.go.ke/affordable-housing

B. For questions on the Affordable Housing Program Development Framework Guidelines, Affordable Housing Program Pipeline and Site Information, and other program features

The Affordable Housing Program
State Department for Housing and Urban Development
P.O Box 30119-00100
NAIROBI, KENYA
Tel: +254-20-2713833
Email: enquiries@bomayangu.go.ke with a copy to procurementhousingandurban@gmail.com
Web: www.bomayangu.go.ke/ahp

C. For questions on the Affordable Housing Program Application Process and Rounds Scheduling

Procurement and Supply Chain Management Services
State Department for Housing and Urban Development
P.O Box 30119-00100
NAIROBI, KENYA
Tel: +254-20-2713833
Email: procurement@bomayangu.go.ke with a copy to procurementhousingandurban@gmail.com
Web: www.bomayangu.go.ke/ahp